

QUESTIONNAIRE TO THE COMMISSIONER-DESIGNATE**Valdis DOMBROVSKIS****Economy and Productivity, Implementation and Simplification****1. General competence, European commitment and personal independence**

What aspects of your personal qualifications and experience are particularly relevant for becoming Commissioner and promoting the European general interest, particularly in the area you would be responsible for? How will you contribute to implementing the political guidelines of the Commission? How will you implement gender mainstreaming and integrate a gender perspective into all policy areas of your portfolio? How will you implement youth mainstreaming?

What guarantees of independence are you able to give Parliament, and how would you make sure that any past, current or future activities you carry out could not cast doubt on the performance of your duties within the Commission?

In February 2022, the European Union (EU) woke up to war on the continent: Russia's brutal and unwarranted aggression against Ukraine. It made us realise how fragile the peace and European security were. It was a particularly brutal shock to people of my country Latvia, but also to those of the two other Baltic states as they still hold a living memory of being left in a grey zone after World War II. Investing my knowledge, experience and energy in strengthening the European project and its values is therefore a matter of deep conviction forged by the geopolitical reality of my home region. This is why as Executive Vice-President of the Commission I have been advocating for unwavering support for Ukraine. This year, Latvia celebrated the 20-year anniversary of its membership of the EU. I wish for my country to stay within this community of values, along with 450 million Europeans living in freedom and prosperity. It is with this message that I run and won the 2024 European elections in Latvia. I lead my party on a strong pro-European ticket with two main priorities: strengthening the EU's security and boosting EU's competitiveness. Latvian voters have thus entrusted me with a democratic mandate to work for a stronger European Union. Fulfilling this mandate is my ultimate motivation and duty.

Today, the European Union needs a resilient, and competitive economy to help it stand by its values and withstand internal shocks and external pressures. This is why I am particularly honoured to be nominated Commissioner-designate for Economy and Productivity and Commissioner-designate for Implementation and Simplification. In line with what I have consistently done in my previous roles, I will seek solid engagement with the European Parliament and EU Member States to promote ways to unlock the EU's growth potential, attract investment and ensure that the macro-economic policies of EU countries are sound and conducive to growth.

The economic portfolio will be at the centre of fulfilling the EU's strategic objectives of boosting our competitiveness while preserving our social market economy. For that we will need adequate private and public funding.

The EU economy will only thrive when based on strong fundamentals: reflecting the objectives of the EU's revised economic governance, I will drive the implementation of the Stability and Growth Pact to ensure both fiscal sustainability and investments that boost productivity and growth.

The European Semester will play a key role in further improving the coherence and coordination of EU and national economic and social policies. Together with colleagues, I will ensure an accountable and swift implementation of NextGenerationEU and of the Recovery and Resilience Facility. This remains the main tool to drive key reforms and investments until the end of 2026. I will treat the development of a new Competitiveness Coordination Tool as a priority, taking into consideration the recommendations of the Draghi report.

The implementation and simplification workstreams will also be vital for boosting the EU's competitiveness. Our intention should be to cut red tape and give more breathing space to European businesses, especially SMEs, while preserving the policy objectives of the legislation adopted. I will thus work to reduce administrative and reporting burdens, to eliminate contradictory provisions in different pieces of law, to simplify and facilitate implementation and improve enforcement of EU law, while preserving our policy goals and standing up against deregulation. Regarding new proposals, I will make sure that they are fully compliant with the Commission's better regulation principles, and that the SME and competitiveness dimensions are thoroughly considered.

I commit to building a gender-balanced team and to empowering women to thrive at the workplace. As EU Trade commissioner, I supported the inclusion of the EU's first stand-alone chapter on trade and gender in the EU – Chile Free Trade Agreement. Going forward, I will make sure that the European Semester continues to be an important tool for gender mainstreaming when shaping economic and social policies in Europe. I am committed to organising Youth Policy Dialogues, as per the President's guidelines, starting already in the first 100 days of the mandate of the new College. I will make sure that the views of young people are factored into the preparation of policy initiatives.

I have a longstanding political experience within all EU institutions. In the current Commission, I have served as Executive Vice-President for the Economy that Works for People and as Commissioner for Trade. In these roles, I oversaw the reform of EU's economic governance framework, the European Semester and the Recovery and Resilience Facility. I implemented the EU trade policy along three pillars: (i) taking assertive action when the EU's openness was abused and developing a series of new autonomous tools; (ii) streamlining sustainability in our trade policy and including state-of-the-art sustainability provisions in our new trade agreements; and (iii) upholding EU's openness to free and fair trade as well as ensuring EU's support to the global trading rules and the WTO reform.

At the Juncker Commission (2014-2019), I was Vice-President for Economy and Social dialogue. I served as European Commissioner for Financial Stability, Financial Services and Capital Markets Union from 2016 to 2020. I served as Prime Minister of Latvia in three consecutive governments, from March 2009 to January 2014. I was a Member of the European Parliament (2004 - 2009), where I was a member at the Committee on Budgets and a substitute member on the Committee of Economics and Monetary Affairs. This year, I was elected to the European Parliament for the fourth time. I have also been elected to the Saeima (Parliament of Latvia) three times (2002, 2010, 2011) and was Latvia's Finance Minister from 2002 to 2004.

I commit to continue to fully respect the Treaty obligations on independence and integrity, impartiality and availability, as defined in paragraph 3 of Article 17 TEU and in Article 245 TFEU, as well as the obligation of professional secrecy in Article 339 TFEU. I solemnly declare to comply with the ethical standards as set out in these articles and the Code of Conduct for Commissioners. I have completed my Declaration of Interest, made it public and will immediately update it in the event of any changes. I also commit to avoiding any position or situation that might question my independence, impartiality and availability to the Commission. I will refrain from holding any other public office and from engaging in any other professional activity, unpaid or paid. I pledge to inform the President of the Commission immediately if a situation involving a possible conflict of interest in the performance of my official duties were to emerge.

2. Management of the portfolio and cooperation with the European Parliament

Can you commit to duly informing Parliament about your actions and those of your departments? In what respect do you consider yourself accountable to Parliament?

What specific commitments are you prepared to make in terms of your engagement with and presence in Parliament, both in committee and in plenary, transparency, cooperation and effective follow-up to Parliament's positions and requests for legislative initiatives? In relation to planned initiatives or ongoing procedures, are you ready to provide Parliament with timely information and documents on an equal footing with the Council?

I am honoured to renew my commitment to work in full cooperation and dialogue with the European Parliament (EP), if confirmed as Commissioner. This engagement will expand to the different stages of policymaking, legislative and implementation processes, as well as broader political dialogue. I will also ensure that the EP is regularly updated, on an equal footing with the Council, on the latest developments related to the files under my portfolio, and that its opinions are duly taken into account in the policy processes.

My first commitment is therefore to fully respect the rights and prerogatives of the Parliament in the legislative processes. I consider this of paramount importance for the democratic legitimacy of the European project, as well as for a speedy and sound legislative process. I will therefore be present in trilogues and engage closely with the European Parliament for this purpose.

I strongly believe that an ever-closer cooperation between the Parliament and the Commission will also be essential for our efforts to simplify, consolidate and codify EU rules. At the same time, ensuring the proper implementation of EU law will be key. Legislation is only as good as the way it is applied on the ground, and many solutions to new or recurring problems can be found just by ensuring the correct application of existing rules.

Therefore, my second commitment is that I will devise with you the best process for the Parliament and the Commission to work together on improving the implementation of EU rules, policies and objectives, and the simplification of our laws – while fully respecting our respective competences and powers. If confirmed as Commissioner, I will rely on my colleagues’ regular Implementation dialogues to gather feedback from stakeholders on what is working and what is not. This will be an opportunity to take stock of implementation progress, and identify areas that require more attention, to make sure our laws deliver the benefits they are supposed to.

Third, I will attend the structured dialogues with the responsible parliamentary committee(s) to chart a way forward for any resolutions under Article 225 TFEU. Under the leadership of the Commissioner for Interinstitutional Relations and Transparency, I will continue – as I did in the current mandate – to make good on the Commission’s commitment to responding to these resolutions with legislative proposals in full respect of subsidiarity, proportionality, and better law-making principles.

Fourth, I will attend plenary sessions and engage with the relevant Committees of the European Parliament as part of our regular dialogues and responding to ad hoc requests, in areas such as the implementation of the economic governance framework, the European Semester, the future Competitiveness Coordination Tool, and the implementation of the Recovery and Resilience Facility (RRF).

I will inform the Parliament on the results of the multilateral surveillance and discuss the policy guidance issued by the Commission to Member States, continue to attend the regular Semester and RRF dialogues, and appear before the European Parliament to discuss the Council decisions and recommendations under the Excessive Deficit Procedure, if invited to do so.

Fifth, in line with the provisions foreseen in each legal act, I will ensure transparency and information flow with the European Parliament. The information exchanges over the next five years will build on the good practices that have been established during the 2019-2024 mandate where the Parliament and the Council have consistently received the same information at the same time. For example, under the RRF, the Commission has shared more than 260 documents with the Parliament since its inception, including the submitted and modified recovery and resilience plans, the Commission’s assessment of those and the information provided to the Economic and Financial Committee in the context of payment requests.

To conclude, I consider that the close dialogue and cooperation with the European Parliament will be of paramount importance during the five years ahead, both to address the new and emerging needs and to achieve tangible results in relation to the simplification and implementation of existing rules. I consider those issues a joint responsibility of all EU Institutions.

Questions from the Committee on Economic and Monetary Affairs

3. Implementation of the reformed economic governance framework

In light of the entry into force of the revised economic governance framework, how will you ensure equal treatment of Member States in practice, while enforcing the economic governance rules of the Union fully, impartially and independently from any political influence? How do you intend to ensure sound and sustainable public finances, while promoting sustainable and inclusive growth through investments and reforms, especially considering the diverse economic contexts and elevated debt levels of individual Member States?

Coming from a small Member State, I am particularly sensitive to the importance of equal treatment. If I am confirmed as Commissioner, I am fully committed to applying the revised economic governance framework in a coherent and an even-handed way, and to enforce the rules in a credible and transparent manner. I would also like

to recall that the implementation the reformed framework will continue to rely on the high quality and independent European statistics provided by Eurostat.

The revised framework contains several features that reconcile the need to ensure debt sustainability and the need for investments and reforms to foster sustainable and inclusive growth.

First, the framework considers the specific situation of each Member State. It introduces a risk-based approach, which differentiates between Member States based on their individual macro-fiscal situations, within a transparent common framework. Multiannual and differentiated fiscal adjustment paths ensure gradual and plausible public debt reductions, that debts converge towards and stay at prudent levels, and that deficits are brought and stay below 3% of GDP. Member States with low fiscal sustainability challenges will have less demanding adjustment requirements, or even no adjustment requirement at all, depending on their individual situation.

Second, and particularly relevant for Member States with more significant fiscal challenges, the framework provides a possibility for a longer adjustment period, if this is underpinned by reforms and investments that enhance growth potential and fiscal sustainability and respond to the common EU priorities.

Third, the new framework protects national expenditure on co-financing of programmes funded by the EU, excluding such expenditure from the main indicator of fiscal monitoring. This means that Member States can increase their national expenditure on co-financing programmes funded by the EU, to support investment projects without affecting compliance with the fiscal rules.

The revised framework includes several further elements that will support even-handed implementation and credible enforcement. The larger leeway for Member States to set their own fiscal, reform and investment strategies goes hand in hand with strengthened and simpler enforcement procedures. In addition, implementation will be based on a single operational indicator, facilitating assessments of compliance.

I am - and remain - committed to keeping the European Parliament involved in a regular and structured way in the fiscal surveillance processes, and in the broader European Semester, in accordance with existing provisions on transparency and accountability.

4. Investment and Competitiveness

As Next Generation EU comes to an end at the end of 2026, how will the new Commission tackle the huge demand for public investment, including for addressing the EU's productivity gap, without cutting budgetary resources in other important areas? How do you intend to increase the competitiveness and productivity of the EU's economy? How will the announced European Competitiveness Fund be of support?

The green and digital transitions, implementation of EU shared priorities, including defence and security, and the challenge of raising the EU's productivity growth all entail very high investment. While private funding will have to support most of this effort, public resources – including at the EU level, through the current and next Multiannual Financial Framework (MFF) – will also play a key role. Public investment will be needed to finance infrastructure spending, and especially to intervene in areas where private actors by themselves tend to underinvest, like basic research, radical innovation and large-scale pan-European projects, or skills. Public money can and should be used to direct, leverage and de-risk private investment in our common goals. This is also where the European Investment Bank Group and financial institutions like the European Bank for Reconstruction and Development as well as national promotional banks will play a critical role in catalysing and crowding in private investments to support EU policy objectives and emerging new priorities.

We will also need to ensure that the right reforms and framework conditions are in place. The new Commission therefore intends to focus on catalysing public and private investments and on raising productivity. If I am confirmed as Commissioner, I will contribute to this effort.

My first priority will be to continue to work towards ensuring full disbursements of Recovery and Resilience Facility funds by the end of 2026. In this way, I will continue to actively support Member States in their delivery of reforms and investments. In parallel, the Commission will work with Member States to accelerate the absorption of the existing cohesion funds, which will provide public resources for investments beyond 2026.

Second, as highlighted under question 1, I will ensure a credible and even-handed application of the new fiscal rules. Compared to the old ones, they are more conducive to increasing public investment and contain incentives

for reforms. By making sure that our new fiscal framework is applied soundly, we can help to keep funding costs low for Member States. This is critical for public and private investments.

Third, in my role as Commissioner responsible for simplification and implementation, I will contribute to creating a predictable and more business-friendly regulatory environment, while continuing to pursue the EU's twin transitions. A predictable and proportional legal framework is essential for catalysing the private investment and innovation that are pre-conditions for productivity growth.

Fourth, the EU budget will continue to be an important catalyst for European competitiveness. But we must make it simpler. The next multiannual financial framework will have to be designed by drawing lessons from the current budget – notably to improve simplicity, flexibility, speed, and strategic focus, while preserving the convergence in the EU.

In this context, the Commission will develop a European Competitiveness Fund to invest in the innovation and technologies that will shape our economy in the future and drive our transitions. Europe's competitiveness, and its position in the race to a clean and digital economy, will depend on starting a new age of innovation and ingenuity. This requires putting research and innovation, science and technology at the centre of our economy, and making sure that they are deployed on an industrial scale. To achieve this objective, our tools need to be fit for purpose. Today, EU spending, including for competitiveness, is spread over too many programmes and spending instruments. This leads to a multitude of different requirements for recipients, overlapping reporting obligations and difficulties to combine funding effectively, as also indicated in the Draghi report.

The future European Competitiveness Fund will invest in strategic technologies and sectors – from AI to space, clean tech to biotech – to ensure that we develop and manufacture them in Europe. It will need to harness the catalysing power of the EU budget to better leverage and de-risk private investment in our common goals. In setting up this new Fund, the Commission can build on the experience it has gained with past and current instruments. It is key to build on this successful EU-wide partnership with the private sector to mobilise substantial additional support for our economies, closely coordinated with in particular with the EIB Group, EBRD, and national promotional banks.

If I am confirmed as Commissioner, I will develop, in conjunction with this new Fund, a Competitiveness Coordination Tool, as proposed in the Draghi report, to translate EU-wide competitiveness objectives into coordinated national and EU policies, ensuring public and private financing for each strategic priority. The purpose of this tool is to reinforce the coherence between the EU's investment capacity and the national policies in the Member States; to align them for achieving a set of common priorities so that they become mutually reinforcing. This would provide more certainty, predictability and scale in the Single Market, reduce fragmentation and help to mobilise the massive investment needed for the EU's competitiveness agenda.

In close cooperation with the other Members of the College, we will reflect on the best way for this new tool to complement, reinforce and, where possible, contribute to streamlining existing governance tools to monitor and steer investment and reforms at the EU and the national level. I am thinking, for example, of the Annual Single Market and Competitiveness Report, the Digital Decade and the Energy Union and Climate Action governance framework. We will ensure that the new tool works well together with the European Semester for coordinating economic and employment policies, creating synergies and avoiding overlaps.

The RRF has shown the benefits of combining reforms with investments and of disbursements that are based on achieving predefined outputs and results, rather than on the actual costs incurred. Thanks to this performance-based approach, the implementation of important reforms in Member States has significantly accelerated. The support that the Commission has provided to Member States, including through the Technical Support Instrument, has been important in enhancing their capacity to carry out reforms. This will remain relevant during the years ahead, since some reforms are essential for creating the framework conditions for higher productivity growth in the future. For instance, those which help a more business-friendly environment, provide incentives to carrying out investments and innovative activities and which facilitate the reallocation of resources to high-productivity sectors. At the same time, we will need to make further efforts to continue reducing administrative burdens linked to the implementation of EU funds, including for the RRF.

Finally, if confirmed as Commissioner I will direct my services to contribute to the analysis underpinning the EU's competitiveness agenda, working closely together with other services. To regain Europe's competitive edge, we need to identify and pursue a coherent agenda of reforms and investments at all levels: regional, national and EU-

wide. The European Semester and the new competitiveness coordination tool are important instruments to ensure such policy coherence.

5. European Semester

What is your stance on the focus and objectives of the European Semester, including on the coordination of economic policies and sustained convergence of the economic performances of the Member States, the principles of the European Pillar of Social Rights and the objectives of the EU Green Deal, and its democratic oversight? How will the Commission continue to integrate the United Nations Sustainable Development Goals into the European Semester, as announced in your mission letter, as well as the Social Convergence Framework? What would be the interaction of the announced Competitiveness Coordination Framework with the European Semester?

The European Semester has proven to be a flexible and adaptable framework for coordinating our policies and promptly responding to changes in the economic, employment and social conditions. The focus of our coordination under the Semester will continue to be the Union's objectives of sustainable and inclusive growth and employment, keeping competitiveness, prosperity, sustainability and social fairness at its very core.

Since 2018, the European Semester integrates and monitors the implementation of the European Pillar of Social Rights, which acts as a compass for achieving better working and living conditions across Europe. This approach further strengthens the focus on social cohesion, equality, and sustainable development across Member States. The revised economic governance framework adopted last Spring puts a greater focus on reforms and investments that address common EU priorities, including the European Pillar of Social Rights, further reinforcing its role.

In the 2024 European Semester cycle, we have also integrated the principles of the Social Convergence Framework (SCF) to strengthen the assessment of risks to upward social convergence in the Member States. If I am confirmed as Commissioner, I will remain committed to continue monitoring progress on implementing the principles of the European Pillar of Social Rights based on the Social Scoreboard, and using the Social Convergence Framework. These principles are also part of the new macroeconomic governance framework, which has been adapted to ensure that public finances are sustainable, and that fiscal policy contributes to competitiveness, growth and prosperity – including through the connection between fiscal objectives and reforms and investments.

The Commission has integrated the United Nations Sustainable Development Goals (SDGs) into its policies and in the European Semester framework as of the 2020 cycle. This reflects the Union's commitment to deliver on the 2030 Agenda across all relevant policies to promote economic and social prosperity in Europe in a sustainable manner. As we assess economic performance, identify structural challenges, and make policy recommendations, the United Nations SDGs have served as our compass, and will continue to do so. Furthermore, it has been - and will remain – vital that monitoring of the implementation of the SDGs at European Union level is underpinned by robust statistical indicators and information provided by Eurostat. In the coming years, the update of the European System of National and Regional Accounts will provide for a stronger integration of social wellbeing and environmental sustainability in EU statistics. If confirmed, I will make sure that the Commission continues to assess the EU's and Member States' progress towards the SDGs.

The ever-increasing impact of climate change and environmental degradation on our societies calls for continued and decisive policy action. Implementing the European Green Deal therefore remains a core deliverable for the next Commission, and we strive to meet the targets and objectives that we have collectively set for ourselves. Our coordination of policies under the European Semester has helped to steer relevant policy areas towards the achievement of our climate objectives. For instance, the European Semester has supported policy responses aimed at the energy transition and has identified Member States' specific reform and investment needs, tackling both long-standing and new challenges - such as rising energy prices, overall energy efficiency, renewable and energy infrastructure, climate adaptation and the preservation of our environment and resources. I am determined to ensure that the green transition remains a key dimension of the EU's competitiveness strategy, coherent with stronger productivity growth and social fairness, and underpinned by a stable macroeconomic environment.

The Competitiveness Coordination Tool will reinforce the coherence between the EU's investment capacity and national policies in the Member States by aligning them on a common set of priorities so that they become mutually reinforcing, as referred to in my reply to question 4.

Finally, and importantly, the accountability and democratic oversight of the policy coordination and macroeconomic surveillance are key. The European Semester is designed to address matters of common concern,

tackle the most pressing challenges and increase the preparedness and resilience of our Union. Its true value lies in listening to stakeholders and acting in the best interests of Europe. It is therefore imperative to engage with our social partners and civil societies, especially young Europeans, if we want to deliver meaningful change in areas that are most important to our people. A genuine policy dialogue with the Member States and regions, especially when dealing with complex challenges and reforms that require time, is crucial for effective implementation on the ground. Ensuring Member State ownership of the policy recommendations remains crucial in achieving real reforms, and in bringing deliver real change and prosperity for citizens. I will ensure that dialogues with Member States and stakeholders take place not only on the challenges identified, but also on the policy actions that could be put in place to address them. I am committed to strengthening technical and political missions to Member States, to further enhance collaboration and further reinforce the effectiveness of the policy recommendations. Furthermore, if confirmed as Commissioner, I will dedicate myself to promoting a close dialogue between the Commission and the European Parliament regarding economic governance. The European Semester offers an excellent opportunity for close collaboration on economic, employment and social policies.

Questions from the Committee on Legal Affairs

6. Reduction of administrative and reporting burdens

Your mission letter asks you to make proposals on the reduction of administrative and reporting burdens arising from EU laws and policies and to oversee the implementation of the SME and competitiveness check. In your opinion: (i) what are the main administrative and reporting obligations hampering the competitiveness of European SMEs today and (ii) what steps in terms of digitalisation, streamlining and simplification of existing obligations should be taken to reduce this burden, on an evidence-based basis and without compromising on the sustainability goals?

An excessive administrative burden makes implementation of EU law and programmes cumbersome for all users – public authorities, companies, civil society organisations and citizens alike. In particular, it also hinders companies' productivity and investments, and reduces Europe's ability to attract foreign investments, companies and talent.

Today, Europe faces a competitiveness challenge that requires us to look critically and holistically at how EU rules impact the ability of companies, particularly SMEs, to operate, access funding, invest, innovate and scale up their operations in Europe. We must create a simpler and more business-friendly regulatory environment, without compromising our policy goals and our standards. EU laws must become easier to implement in practice. This also requires taking better account of the impact that EU laws have throughout supply chains, especially for SMEs. Over the past years, we have made laws aimed at large companies but, in practice, the obligations also fall on SMEs. This is a key and complex horizontal issue that I wish to work on, together with the Parliament, if confirmed as Commissioner.

To achieve those goals, I will coordinate the work of my fellow Commissioners on burden reduction, implementation and simplification. Following President von der Leyen's Political Guidelines, we will have a critical look at the whole acquis. I will ensure that we focus our efforts and follow up first on the main priorities identified in the Draghi and Letta reports, and the Commission's recent consultations. In this connection, I will also work with the Executive Vice-President for Prosperity and Industrial Strategy to reduce the numerous barriers that keep fragmenting our Single Market and prevent SMEs from growing and scaling up in Europe.

If confirmed, I will swiftly put in place the new simplification and implementation tools set out in the Political Guidelines (please also see answers to questions 7 and 11). I will ensure that these tools are user-centric. I will support my colleagues to stress-test the acquis for which they are responsible, looking to remove obsolete, duplicate, redundant and inefficient rules, including on reporting requirements. I will maintain respect for our high standards, better regulation, proportionality and subsidiarity principles. This will always be based on thorough analysis and on gathering feedback from companies, including SMEs, and stakeholders.

The outcome will be a series of targeted measures for simplification across entire sectors of the EU acquis. Some of these measures will be legislative while others will consist of technical clarifications and guidance. European authorities and agencies will be called upon to contribute to these efforts as well. Over time, this will ensure that our laws become easier to implement and better at promoting sustainable growth, competitiveness and shared prosperity in Europe.

When it comes to digitalisation, I am fully committed to leverage its potential: artificial intelligence, standardisation, and automation of data are essential means to minimise regulatory burdens. I will be vigilant to make sure that new Commission proposals build on the ‘digital by default’ and ‘once only’ principles, so as to minimise future administrative burden. Our stress tests of existing legislation will also play close attention to introducing digital solution to replace paper. My aim will be to replace form-based reporting by standardised data-based reporting to allow a greater reliance on automated tools that are interoperable. For this, I will work closely with the Executive-Vice-President-designate on Tech Sovereignty, Security and Democracy.

We will also work with the responsible Commissioners to deliver on digital initiatives that make companies, in particular SMEs, and people’s lives easier, such as expanding the use of e-platforms for collecting and sharing data for reporting and for doing business, and further our work on data spaces, digital wallet and other digital solutions that the Commission provides to administrations and businesses. It will also be important for co-legislators to agree quickly on relevant pending initiatives such as VAT in the digital age and e-invoicing.

Last but not least, I will develop and ensure the consistent application of a reinforced SME and competitiveness check for all new legislative initiatives.

7. Implementation and simplification

In order to make it easier to do business and to deepen the single market, the President-elect tasks each Commissioner with legislation simplification and implementation, as set out in her Political Guidelines for the next European Commission 2024-2029. The Commissioners’ designate mission letters further include a horizontal focus on simplification and implementation across all portfolios. In the context of simplification, a crosscutting objective in all portfolios is to "reduce reporting obligations by at least 25% - and for SMEs at least 35%". These horizontal tasks will also include implementation dialogues with stakeholders and the preparation of annual progress reports on enforcement and implementation in the areas covered by each Commissioner, in the coordination and preparation of which the Commissioner for Implementation and Simplification will be directly involved.

For those horizontal objectives to be met, could you elaborate on how the specific measures and methodology you intend to take and apply in this context will be innovative in relation to the better regulation agenda, including how the sectoral progress reports mentioned above will relate to the Commission's annual report on monitoring the application of European Union law, how the national implementation will be monitored in a timely manner and the identified non-compliance duly followed up with an appropriate enforcement action?

According to the President’s Political Guidelines, implementation and simplification will be major priorities for the new Commission. The EU now has several laws in place which set ambitious targets. For example: the Fit for 55 package, the Digital Decade, the employment, skills and poverty targets under the European Pillar of Social Rights, the Sustainable Development Goals all set numerical targets, often to be reached by 2030. It will require a joint effort to deliver on the ambitious objectives that the EU has agreed. On the Commission’s side, the whole College will be mobilised for this purpose.

As I stated in my previous reply, I will swiftly put in place the new simplification and implementation tools set out in the Political Guidelines. I will oversee the process of stress testing the existing rules that each Commissioner and department will carry out, and coordinate work with my fellow Commissioners to make proposals to simplify, consolidate and codify them.

To inform this stress testing, the Commission will introduce two new tools: Implementation Dialogues with stakeholders that each Member of College will hold at least twice per year, and Reality Checks of how rules are applied on the ground by companies and administrations. Building on the findings, we will present specific proposals to simplify and reduce burdens and draw up a list of evaluations to be presented alongside the Commission work programme each year. Those evaluations will look at individual pieces of legislation or at several ones that are relevant for certain sectors or areas (fitness checks).

This process will also help us deliver on the commitment to reduce reporting requirements by at least 25% and at least 35% for SMEs specifically. In preparation for this, I will ensure that we have a credible baseline. I want to make a real difference for entrepreneurs and other stakeholders by freeing up their time so that they can focus on innovating, expanding their business and creating more jobs in Europe.

We will report on progress, both political and technical, to the European Parliament. Commissioners will prepare and present annual progress reports on enforcement and implementation to their respective European Parliament Committees and Council formations. I will coordinate those efforts to ensure appropriate follow-up to the discussions.

When it comes to implementation, I will work to facilitate the delivery of our policies on the ground. This means supporting Member States but also standing ready to take action on enforcement. Our objective is also to scale up practical and technical support measures to Member States, including with the Technical Support Instrument, and engage more EU actors in prioritising and incentivising implementation. Increased efforts to prevent issues from emerging in the first place, through closer cooperation with Member States, will facilitate implementation. The Implementation Dialogues will also serve to identify obstacles to implementation and the best way to address them.

Infringement procedures will remain an important tool. We will not hesitate to use them when it becomes clear that a Member State is unwilling to implement agreed rules. We will continue to take enforcement action when we identify systemic breaches of EU law. Right now, we have over 1,500 infringement procedures under way. In 2023, the Commission decided to take a record number of cases requiring financial sanctions to the Court (45).

8. Renewal of the 2016 BLM Agreement

In the context of simplifying and streamlining legislation and its implementation, the President-elect, in her Political Guidelines for the next European Commission 2024-2029, proposes "to renew" the 2016 Interinstitutional Agreement on Better Law-making "so that each institution assesses the impact and cost of its amendments in the same way". One of the specific tasks given to the Commissioner for Implementation and Simplification will be to lead the negotiations on a "renewed Interinstitutional agreement".

What specific revisions to the Interinstitutional Agreement on Better Law-making do you intend to propose, including on the independence and transparency of impact assessments and the role of the Regulatory Scrutiny Board, as well as on the Commission commitment to truly precede a proposal by an impact assessment whenever required by the better regulation agenda, and how will these revisions impact on the efficiency of the legislative process and the balance of decision-making powers?

Almost ten years ago, the three institutions came together to operationalise our commitment to transparent and evidence-based policy making. This was a meaningful moment when we took joint responsibility to deliver high-quality Union legislation that achieves its policy objectives.

This agreement has structured our cooperation and translated our shared commitment to improve how the EU makes laws, by ensuring that the three institutions are committed to sincere and transparent cooperation throughout the entire legislative cycle. The agreement recognises and reiterates the crucial role and democratic responsibility of the European Parliament in better regulation, programming, transparency and coordination, recourse to delegated and implementing acts, as well as simplification.

Over the last years, we have implemented many provisions of the agreement, for example regarding the dialogue with the European Parliament and the Council respectively, both before and after the adoption of the work programme, in the context of annual programming or regarding the Commission's commitments to carry out impact assessment and evaluations. Our assessment is that the agreement has worked well in most respects.

However, and as per the Political Guidelines, I believe that it can be strengthened, in particular when it comes to applying better regulation and simplification principles and objectives. A key priority for us is to find pragmatic ways to make sure that each institution performs proportionate assessments of impacts in relation to their substantial amendments to the Commission's proposal. I will therefore propose to work together to find a common understanding on what constitutes substantial amendments and to better scope their assessment. I also want to work with you to find a common methodology to assess impacts and costs. This would improve the quality of the information available to the co-legislators during the legislative process, without curtailing or impinging on their political prerogatives.

I am confident that by working together, we will be able to find practical solutions to achieve these goals, with full transparency and respect for the democratic principles of our legislative process and with a limited impact on the duration of legislative procedures.

I am committed to ensure that my fellow Commissioners respect the commitment in the agreement that new proposals with significant economic, social and environmental impacts are accompanied by impact assessments that explore how to efficiently and transparently achieve policy goals.

The Regulatory Scrutiny Board will continue to carry out an objective quality check of the Commission's impact assessments, in line with the relevant provision in the agreement. If I am confirmed as Commissioner, I will be fully committed to uphold the independence and impartiality of the Board and the good practice of not discussing impact assessments or evaluations files with individual stakeholders. The Board has lent invaluable support to the Commission decision-making process, making sure that high-quality impact assessments, evaluations and fitness checks based on solid evidence inform College proposals. We need to reinforce what we have achieved since we started, with regulatory quality control conducted professionally and impartially. We will ensure that, at any time, the Board will be composed by Members with extensive expertise on the three main areas of analysis: economic, social and environmental. Its balanced composition is an additional guarantee that the key impacts of a proposals are scrutinised with a thorough analysis.

Moreover, I attach a great deal of importance to transparency. I will make sure that all the underlying evidence and opinions of the Board are available with the proposal to ensure the highest standards of transparency while preserving the decision-making space.

Question from the Committee on Budgets

9. The implementation of the Recovery and Resilience Facility is running behind schedule, leading to the risk of EU funds being lost.

What are your plans to accelerate the implementation of the Facility while ensuring quality of implementation and respect of the applicable legal framework, especially in light of the Court of Auditors' Special report 13/2024? What lessons do you draw from your past experience, what has worked, what needs to be improved in the design of this instrument in order to ensure added value, territorial balance and the respect of interinstitutional roles?

A significant part of the first half of the Facility's lifetime was devoted to negotiating and adopting the 27 recovery and resilience plans; then, shortly afterwards, to substantively revising those plans to address the new challenges brought about by the energy crisis caused by Russia's unprovoked aggression against Ukraine. Despite this accumulation of unprecedented crises in a short period of time, RRF implementation is broadly on track. It started in 2021 and we are already at more than 50% absorption of the grants allocated to the approved plans; and 41% absorption in total, considering both grants and loans, following the delivery of 1 682 milestones and targets by the Member States. The pace of payment requests has also accelerated significantly since the revision of the plans linked to the introduction of REPowerEU chapters was finalised last year (from 23 payment requests in 2023 to an estimated 45 requests in 2024). By the end of 2024, we expect to have disbursed a total of EUR 300 billion since the inception of the Facility, which corresponds to close to half of the RRF committed envelope. At the same time, the timeline of the Facility is very limited, and so it is important that implementation accelerates further. Our collective focus should therefore be on implementing the recovery and resilience plans on time, and making sure that the RRF is successfully implemented by the end of 2026.

As Executive Vice-President for an Economy that Works for People, I have made sure that the Commission closely monitors RRF implementation in each Member State, including by consulting stakeholders and local and regional authorities, and I have worked intensively with them to resolve emerging issues and prevent or reduce delays. If I am confirmed as Commissioner for Economy and Productivity, I will ensure that efforts on these fronts continue and that our consultation of stakeholders and local and regional authorities is deepened.

While absorption needs to speed up further, it should not happen at the expense of reducing the quality of our assessments of the satisfactory fulfilment of milestones and targets, or by revising the existing plans to reduce their level of ambition. Where useful to speed up implementation, Member States can request targeted changes to their plans and the Commission will support such revisions. To this end, we have recently taken steps to simplify the process for amending the plans and clarified the conditions under which Member States can request changes to reduce administrative burden and simplify implementation of RRF measures. For more fundamental issues, Member States can also request to change their plan, including replacing entire measures, but only provided that the initial ambition is not lowered, and that all assessment criteria are still met. The Commission will continue to work with the Member States to find solutions that ensure the plans remain of high quality and can be implemented on time.

Over the course of several audits, the European Court of Auditors has recognised the merits of the RRF and highlighted some areas for improvement. Recently, it has criticised what it considers a slow disbursement and absorption of RRF funds, although in its analysis the Court did not consider the significant acceleration and progress in disbursement in 2024. The Commission has accepted and implemented most of the recommendations issued by the Court on the RRF.

The lessons learned from the RRF have shown how effective RRF funds have been in supporting common EU priorities and the implementation of key, long-awaited structural reforms. Ambitious recovery and resilience plans have demonstrated progress across all six pillars that define the Facility's scope, in particular the green and digital transitions and socio-economic convergence. The RRF was created with two main objectives in mind: supporting the recovery and enhancing resilience.

On the first objective, supporting the recovery: it is fair to say that the RRF has been successful. It has helped increase public investment, which is an unprecedented result in the immediate aftermath of a crisis, lowered sovereign spreads, and contributed to a much-needed confidence boost for the EU at the onset of the crisis. Looking ahead, the reforms and investments under the RRF are expected to further increase the growth potential of Member States. While we will only be able to fully assess this at a later date, there are many examples of already implemented investments and reforms that are clearly making a positive difference on the ground.

On the second objective, enhancing resilience: the RRF is supporting unprecedented reform efforts across the EU. It has shown the benefits of combining reforms with investments and of disbursements based on achieving specific outputs and results rather than the incurrence of costs. It has already led to a marked pick-up in the implementation of key reforms, in line with EU priorities, which the EU had often advocated for many years under the European Semester. For instance, the significant share of green and digital measures in all plans is undoubtedly spurring the twin transition in Europe, while investments in education, reskilling and upskilling will make Europe's workforce more resilient to changing market conditions.

The RRF has also shown its flexibility to adjust to evolving challenges, thanks to its broad scope and a single set of rules. At the same time, there are of course lessons to be learned and the mid-term evaluation of the RRF pointed towards room for improvement. In particular, we need to further satisfy the need for transparency and simplification. Data is now publicly available on the 100 largest final recipients under the RRF per Member State, and this data is being updated twice per year. A public scoreboard and project map with detailed implementation data has been created. For the future, the Commission will continue to consider any possibility to enhance transparency that is in line with the RRF Regulation, with due regard to administrative burden.

Regarding regional balance, thanks to its distribution key and focus on addressing country-specific recommendations under the European Semester and common EU priorities, the RRF has contributed to avoiding economic and social divergence in the aftermath of the pandemic and is expected to strengthen convergence across the EU. However, the RRF's regional dimension is not equally developed in all national plans and often not sufficiently strong, because national plans were prepared under exceptional circumstances. Nevertheless, regional and local stakeholders are essential players and beneficiaries in the delivery of RRF reforms and investments. As such, their involvement in implementing the Facility, and their administrative capacity, should be adequately supported.

Looking ahead to the next EU long-term budget, the Commission may draw inspiration from some of the successful elements of the RRF when making its proposals, for example, by linking reforms and investments. One element of the RRF that could be improved is the facilitation of cross-border projects. Despite the inclusion in the recovery and resilience plans of several measures linked to Important Projects of Common European Interests, and cross-border measures in the REPowerEU chapters, the national governance of the Facility has not sufficiently promoted cross-border cooperation. At the same time, it is also important to fully uphold the partnership principle and the role of regional and local authorities, and preserve its main objective to reduce regional disparities as stemming from the Treaty.

Concerning interinstitutional cooperation on RRF implementation, the Commission has been very closely engaging with Parliament and Council. I have had the privilege to represent the Commission, along with my colleague the Commissioner for Economy, in all 16 Recovery and Resilience Dialogues with the Parliament, and the Commission services have attended more than 30 meetings of the Parliament's RRF working group. The Commission has also provided timely and comprehensive implementation information to the Parliament on a daily basis. This level of engagement goes beyond the formal reporting and accountability requirements laid down in the RRF Regulation. If I am confirmed as Commissioner, I will ensure that the Commission continues to implement

the RRF in the most transparent and accountable way and will work for this purpose with the Executive Vice-President-designate for Cohesion and Reforms.

Question from the Committee on Employment and Social Affairs

10. How will you make sure that the implementation of the better regulation agenda helps to improve the employment situation across the EU, ensures the EU labour law acquis and that it does not result in lower employment rights and social standards nor prevents further legislative initiatives and the implementation of the European Pillar of Social Rights Action Plan, including its headline targets? Which concrete steps will you take to strengthen the monitoring of upward social convergence in the EU?

I remain committed to ensuring social fairness and a stronger social market economy in the European Union. The Commission's goal is to maintain high social standards, and to deliver on the EU's 2030 employment and social targets, as well as on the continued implementation of the European Pillar of Social Rights, by renewing its action plan. At the same time, to achieve these objectives, we need some of our rules and policies to become easier to implement and enforce, and this is the focus of our simplification efforts.

The priorities set by President von der Leyen – to promote the EU's competitiveness and productivity, to simplify existing rules and to reduce administrative and reporting burdens – are not about deregulation or diminishing our high standards. Our ambition is to generate more shared prosperity for all Europeans, including through a continued increase of living standards and the implementation of the Pillar of Social Rights.

Our social market economy is at the centre of our competitiveness. Good education, healthcare provision and social safety nets attract talent and investments into Europe. They need to be preserved and strengthened where appropriate. If confirmed as Commissioner for Competitiveness and Productivity and Implementation and Simplification, I will continue to keep employment and social policies at heart in both my portfolios, drawing from my extensive experience in social dialogue and in implementing the Pillar of Social Rights.

At the same time, the recent report by Mario Draghi has represented a form of a wake-up call on Europe's need to stand closer together, remove the barriers that keep fragmenting our Single Market, and ensure that our regulations achieve their goals effectively, without imposing undue burdens on people or business. We are therefore about to enter the new institutional cycle with a clear purpose: to make sure that we achieve our ambitious goals – including the 2030 employment and social targets – by providing the necessary support to workers and companies. This will also require working closely together, across the economic and social portfolios and in regular dialogue with social partners, to stimulate productivity and competitiveness, simplify EU rules, promote digitalisation, and minimise administrative burdens.

EU labour law plays a crucial role in supporting a fair Single Market and ensuring quality jobs. Under my leadership and that of Commissioner Schmit, we have made significant progress in recent years, adopting key instruments such as the Directive on Transparent and Predictable Working Conditions, the Minimum Wage Directive, and the Platform Work Directive. These instruments were prepared in accordance with the better regulation principles. The reinforced competitiveness test and SME test and the commitment to reduce reporting burdens, which I will coordinate, are not meant to stall further social progress in the EU. Instead, they aim to free up entrepreneurs, workers and citizens' time so that they can focus on innovating, realising their full potential, expanding their business and creating more quality jobs.

We will also aim to ensure that our impact assessments consider social impacts, including whenever possible distributional assessments.

As for the European Semester, its social dimension has been substantially strengthened and the Commission will continue to pursue an integrated approach to monitoring economic and social developments in the Member States and delivering country-specific recommendations. For this, I will report directly to the President and work in close coordination with the Executive Vice-President-designate for People, Skills and Preparedness.

In the 2024 Semester cycle, the Commission already used the Social Convergence Framework to strengthen the assessment of risks to upward social convergence in the Member States. If I am confirmed, I will remain committed to its continued implementation, also in line with the provisions that integrate the Pillar of Social Rights in the new economic governance framework.

Question from the Committee on Internal Market and Consumer Protection

11. How do you plan to achieve a comprehensive assessment of existing EU legislation to identify and address overlaps and how will you involve the stakeholders in the process? In the context of simplification, which legislative areas will be prioritised and what specific measures will you propose to reduce the administrative and reporting burdens on EU companies without compromising the EU standards on consumer protection? In your task to tackle fragmentation, how will you integrate a Single Market check in the new framework of the Competitiveness Coordination Tool, with the view to highlight the benefits of the EU actions, including legislation, for Single Market, and EU consumers?

In the Political Guidelines, the President has tasked each Commissioner to stress-test the EU acquis. Based on the results of this stress-testing, the Commission will make proposals to remove overlaps and contradictions, while maintaining our high standards. I will therefore work with my fellow Commissioners to carry out this extensive work to screen the stock of legislation with the aim to simplify, codify and consolidate EU laws. This work will gradually cover the whole acquis, including legislation put forward during the last mandate.

The starting point is the information and knowledge that we have collected from stakeholders with targeted consultations, outreach activities and through a dedicated call for evidence in 2023.

Most often, stakeholders called for reporting to be simplified and overlaps to be removed. They called for more guidance, as well as digitalisation and smoother data flows. They also highlighted the importance of ensuring that our rules are simple and applied proportionately. SMEs emphasise the importance of following a “think small first principle”.

These contributions provide a solid basis for our work, but we will do more. I will oversee the implementation of new and deeper ways to engage with stakeholders to achieve results. As also detailed in my replies to the questions from the Committee on Legal Affairs, each Commissioner will engage with stakeholders at least twice a year to discuss implementation and simplification. These Implementation Dialogues are one of the tools that we will use to inform our stress tests of the EU acquis, while preserving our policy goals and high standards.

We will also develop Reality Checks that will allow us reach out to real practitioners on the ground. The Commission’s departments will work closely with companies, administrations and other stakeholders involved in implementing EU rules to identify and solve practical issues, such as authorisations, permitting or compliance burdens.

The outcome of the stress tests will be twofold. We will identify targeted measures to simplify or rationalise legislation, which we will be able to tackle directly. In cases where more time is needed for analysis, we will follow up with evaluations and fitness checks to identify duplications, overlaps and inefficiencies. The most significant proposals will be included in the Commission Work Programme each year.

As for the Competitiveness Coordination Tool, it will translate EU-wide competitiveness priorities into coordinated national policies, ensuring public and private financing for each strategic priority. The overall purpose of this Tool, and the Competitiveness Fund, will be to reinforce the coherence between the EU’s investment capacity and national policies. This would provide more certainty, predictability and scale in the Single Market.

Since the work needed to operationalise the Tool still needs to start, it is not possible to set out its main components at present. That said, the Single Market and the broader business environment are key dimensions of our competitiveness, as emphasised by the latest Annual Single Market and Competitiveness Report. The Single Market has the potential to create even larger economies of scale, attract more foreign direct investment, provide better conditions for our companies to develop and create quality jobs, and better deals for our consumers while safeguarding high protection levels. We must ensure that it lives up to its full economic and social potential.

Please see also reply to question 4 on the Competitiveness coordination tool and Competitiveness Fund.

Question from the Committee on Constitutional Affairs

12. When do you intend to start new negotiations on the IIA on simplification and Better Law-making and which areas (or parts) of the IIA you envisage to revise? Which actions do you consider necessary to achieve the objectives of Better Regulation in the preparation of new initiatives, including delegated and implementing acts? Are you ready to support expanding the Parliament’s initiative to amending and revoking existing legislation?

How do you intend to pursue the necessary dialogue with the Parliament in the process of annual and multiannual programming under Article 17(1) TEU and the provisions in the IIA on Better Law-making on multiannual programming with a view to drawing up joint conclusions of the three institutions which reflect a real tripartite contract for the legislature?

Please see also reply to Q8

The Interinstitutional Agreement on Better Law-Making is an important vehicle for deepened cooperation between the institutions to deliver policy objectives efficiently for our citizens and businesses, while preventing unnecessary burdens. If confirmed as Commissioner, I will propose working together to renew this Agreement to strengthen our joint commitment to transparent and evidence-based policy making.

Based on the implementation and simplification objectives outlined by President von der Leyen, the Commission's main priority will be to find pragmatic ways of ensuring that each institution carries out proportionate assessments of impacts in relation to their substantial amendments to the Commission's proposal. I will therefore propose to work together to find a common understanding on what substantial amendments are and to better scope their assessment. I also want to work with you to find a common methodology to assess impacts and costs. If confirmed as Commissioner, I will reach out to the European Parliament and Council with a first set of ideas and proposals to listen to your reactions and suggestions.

In 2019, the Commission committed to respond to Parliament resolutions under Article 225 TFEU with legislative proposals in full respect of proportionality, subsidiarity and better lawmaking principles. In the last term, the Commission responded positively to 24 out of 25 such resolutions. The only time we did not respond favourably to an Article 225 resolution – the one on the Multi-annual Financial Framework contingency planning – was because our common achievement on the MFF and NextGenerationEU took place in the meantime.

Looking forward, the Commission is committed to further strengthening cooperation with the Parliament following Article 225 resolutions by asking Commissioners to take part in structured dialogues with the responsible parliamentary committees to chart a way forward. This is reflected in the mission letters to all Commissioners-designate.

Dialogue with the Parliament will also be essential for the process of annual and multiannual programming. Our Joint Conclusions on priorities for the upcoming term will be informed by the Political Guidelines, which are the result of intensive consultations with the European Parliament. In turn, those Joint Conclusions will form a strong basis for the more detailed annual Joint Declarations on legislative priorities for the coming year.

Question from the Subcommittee on Tax Matters

13. Competitiveness & Tax-Mix

In the medium-to-longer term, population ageing and digitalisation will have substantial implications for tax systems. In its Annual Tax Report 2024, the Commission refers to a wide consensus on the need to re-balance the tax mix and to shift the tax burden away from labour. How do you plan to proceed and ensure that "our tax system plays a crucial role in supporting Europe's decarbonisation and competitiveness to ensure social fairness" as mentioned in your mission letter? What steps would you propose to take to remove tax obstacles to cross-border investment and fiscal and regulatory barriers between Member States in order to simplify our tax system and increase competitiveness? Will you make proposals in the area of capital gains and wealth taxation in order to ensure social fairness? Given recent analyses by institutions like the IMF, what further taxation measures could be developed to ensure that carbon pricing does not disproportionately affect poorer communities, nor aggravate disparities between wealthy and less wealthy Member States?

If we consider the current tax mix of the EU27, on average, labour taxes represent over 50% of total tax revenue collection, while Value-Added Tax (VAT) represents about 20%, and Corporate Income Taxes slightly less than 10%. Long-term structural changes, such as demographic shifts and digitalisation, are affecting how we work, produce, and consume, and therefore require us to re-examine how to broaden our tax-mix to ensure that our tax systems can continue to raise the revenues needed to sustain our social market economy. Adjusting the tax mix is also important to address the challenges related to climate change and to improve competitiveness. For example, a future-proof tax mix should encourage investment in research & development, thereby contributing to higher investment in green and digital solutions. Furthermore, a shift from labour taxes, which generally hamper growth and jobs, towards taxes on externality-generating activities, including by broadening existing tax bases, may be

considered - with a focus on green and wealth taxes. In doing so, we must keep in mind the need to reduce inequalities and ensure social fairness.

Monitoring taxation is an important element of economic surveillance. The Commission provides recommendations to Member States on tax policies in the context of the European Semester. If confirmed as Commissioner, working closely with the Commissioner for Climate, Net Zero and Clean Growth, I would ensure that we develop focused tax policy recommendations which support growth and competitiveness, an equitable distribution of income, and promote the green transition. The recommendations will inform the future implementation of the new economic governance framework, since the “future-proof tax mix” would find its place in the new medium-term fiscal structural plans. This will also help to reduce tax-related obstacles to cross-border investment as well as other fiscal and regulatory barriers between Member States.

I will also support global discussions on wealth taxation in international fora such as the OECD, the G20 and the UN. I would aim for better monitoring of the development and measurement of wealth disparities linked to wealth generation (flows) and wealth persistence (stocks), as well as the balance between the taxation of labour earnings and the taxation of personal capital income. The Commission will launch a study examining wealth-related taxes in the EU to support an informed debate.

I would also support work on a multilateral approach to digital taxation. The EU and its Member States take an active role in the international negotiations on a two-pillar solution to address the tax challenges arising from the digitalisation of the economy at the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting. Such solution would help enhance the EU's competitiveness by creating a fairer and more predictable global tax system. Pillar One, ensuring fair allocation of profits to the jurisdictions where the customers are located, would help level the playing field for EU-based companies by reducing opportunities for profit shifting to low-tax jurisdictions and ensuring fair tax contributions from global competitors.

Pillar Two, implemented in the EU via the Pillar Two Directive of December 2022, by reducing tax distortions, fosters a more balanced and competitive business environment in the EU and helps curbing aggressive tax planning. I would help encourage as many jurisdictions worldwide as possible to implement the rules or to swiftly cooperate in effective exchange of information, in order to enable the application of Pillar Two by those who have joined in.

Finally, the Commission has proposed “Business in Europe: Framework for Income Taxation” (BEFIT) and the “Head Office Tax System for SMEs” (HOT) to reduce the tax obstacles to cross-border investment and increase competitiveness. If confirmed, I would work with the Commissioner for Climate, Net Zero and Clean Growth to follow up on these proposals and simplify the business environment in the Single Market.

On these taxation matters, I will work closely with the Commissioner for Climate, Net Zero and Clean Growth.