

French Legal and Regulatory Update - January 2014

#### Contact

The Paris office of Hogan Lovells is pleased to provide this English language edition of our monthly e-newsletter, which offers a legal and regulatory update covering France and Europe for January 2014.

Please note that French legal concepts are translated into English for information only and not as legal advice. The concepts expressed in English may not exactly reflect or correspond to similar concepts existing under the laws of the jurisdictions of the readers.

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#### Summary of miscellaneous French draft legislation

- Draft law granting amnesty for acts committed in the course of social movements and trade unions' protesting activities Filed on November 28, 2012 Adopted on first reading by the Senate on February 27, 2013 A vote for a referral to commission was adopted during the first session on May 16, 2013.
- Draft law relating to consumption, n°1015, filed on May 2, 2013 Adopted on second reading by the National Assembly on December 16
  – adopted by the Senate on January 29, 2014 joint committee of the two chambers.
- **Draft law aiming at recapturing the real economy**, n°1037, filed on May 15, 2013 emergency procedure adopted on first reading by the National Assembly on October 1, 2013 in debate on first reading before the Senate on February 4, 2014.
- Draft law for the access to housing and redeveloped town planning, n°1179 filed on June 26, 2013 adopted on first reading by the National Assembly on September 17, 2013 adopted on first reading by the Senate on October 26, 2013 adopted on second reading by the National Assembly on January 16, 2014 in debate on second reading before the Senate from January 29 to 31, 2014.
- Draft law relating to social and solidarity-based economy, n°805 filed on July 24, 2013 adopted on first reading by the Senate on November 7, 2013 in debate before the National Assembly for first reading from January 14 to 16, 2014.
- Draft law relating to various provisions for the transposition of EU Law into French Law in the health sector, n°1336 adopted on first reading by the National Assembly on January 16, 2014.
- Draft law for craft industry, trade and very small businesses, n°1338 in debate on first reading before the National Assembly from February 12 to 14, 2014.

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- Draft law which aims not to include the delivery service to the single price of the book, n°1189, filed on June 26, 2013 Adopted on first reading by the National Assembly on October 3, 2013 adopted on first reading by the Senate on January 8, 2014 in debate on second reading before the National Assembly on February 20, 2014.
- Draft reform relating to the railway system, n°1468, filed on October 16, 2013.
- Draft law for the ratifying of order n°2013-676 of July 25, 2013 which amends the legal framework of asset management, n°1467, filed on October 16, 2013.
- Draft law which authorises the ratifying of the agreement relating to the establishment of a unified jurisdiction for patents, n°97, filed on October 23, 2013 accelerated procedure by the Government Adopted on first reading by the Senate on November 21, 2013.
- Draft law which aims at reinforcing the fight against counterfeiting, n°866, filed on September 30, 2013 Accelerated procedure by the Government Adopted on first reading by the Senate on November 20, 2013 in debate before the National Assembly on February 4, 2014.
- Draft law aiming at a better control of the use of phytosanitary products on the national territory, n°40, filed on October 7, 2013 adopted on first reading by the Senate on November 19, 2013 adopted on first reading by the National Assembly on January 23, 2014.
- Draft law for the modernisation and simplification of law and procedures in relation to justice and home affairs, n°175, filed for first reading at the Senate on November 27, 2013 adopted on first reading by the Senate on January 23, 2014 in debate before the National Assembly on February 4, 2014.
- Draft law relating to the appointment of labor relations board members, n°1722, filed on January 22, 2014.
- Draft law relating to professional training, employment and social democracy, n°1721, filed on January 22, 2014 in debate on first reading before the National Assembly from February 5 to 7, 2014.

# **Enacted laws**

- Law n°2014-1 of January 2, 2014 to take various measures to simplify and secure business life, OJ of January 3, 2014.
- Law n°2014-40 of January 20, 2014 to guarantee the future and justice of the pension system OJ of January 21, 2014.
- Law n°2014-56 of January 27, 2014 to harmonise statute of limitations periods for offences set forth by the law on freedom of the press of July 29, 1881, relating to sexual discrimination, orientation and identity or handicap OJ of January 28, 2014.
- Law n°2014-57 of January 27, 2014 relating to the implementing conditions of conventions entered into between complementary health insurance bodies and health care professionals and facilities OJ of January 28, 2014.

# 1. Competition

# France: Decree regulating the activity of passenger vehicles with drivers

The Decree n°2013-1251 of 27 December 2013 on prior booking of passenger vehicles with drivers was published in the Official Journal on 28 December 2013 (only available in French). Despite a negative <u>opinion</u> issued by the French competition authority on 16 December 2013, the Decree introduces a mandatory waiting time of 15 minutes before picking up passengers for vehicles with drivers, with the exception of reservations made through luxury hotels or organizers of trade shows. It entered into force on 1 January 2014 and was supplemented by an <u>order</u> issued the same day, on the justification of prior booking of vehicles with drivers (only available in French).

# European Law: State aid - Adoption of new guidelines on risk finance

The <u>Guidelines</u> (EU) of the European Commission on State aid to promote risk finance investment were published in the OJ of the EU on 22 January 2014. Based on two public consultations, these Guidelines will enter into force on 1 July 2014. They will replace the Risk Capital Guidelines adopted in August 2006 and modified in December 2010. The new Guidelines are aimed at laying down the conditions under which Member States may grant aid to facilitate access to finance by European SMEs and companies with a medium capitalization (so-called "midcaps"). Key features of the new Guidelines are: (i) extended scope of concerned undertakings, including SMEs, small midcaps and innovative midcaps, (ii) mandatory participation of private investors tailored to the development stage and riskiness of the company, (iii) compatibility criterion set for amounts above €15 million per target company, (iv) wider range of financial instruments admissible, and (v) adjustment of obligations in terms of transparency in order to protect SMEs.

The new Risk Finance Guidelines should be seen together with the relevant rules contained in the <u>General Block Exemption Regulation</u>, which is currently subject to <u>public consultation</u>.

# European Law: State aid – Public consultation on the draft Notice on the notion of State aid

The European Commission launched on 17 January 2014 a public consultation on the draft <u>Notice</u> on the notion of state aid pursuant to Article 107 (1) of the Treaty on the Functioning of the European Union (TFEU). The draft Notice intends to provide practical guidance in order to identify state aid measures, which have to be notified and approved by the European Commission before being implemented. The Commission lists the following key elements: (i) existence of an economic activity (i.e. in line with the definition of "undertaking" under European competition law), (ii) financing through State resources and imputability of the measure to the State, (iii) existence of an advantage for the beneficiary, (iv) selectivity, and (v) effect on trade and competition.

Interested third parties can submit their comments until 14 March 2014.

# European Law: State aid – Public consultation on a draft Communication on State aid to promote Important Projects of Common European Interest

The European Commission launched on 28 January 2014 a <u>public consultation</u> on a draft <u>Communication</u> laying down the criteria for compatibility with EU state aid rules for aid measures intending to promote important projects of common European interest. The draft Communication provides guidance to Member States on how they can support, in line with EU state aid rules, transnational projects which are of strategic dimension for the EU and for the realization of the objectives of "<u>Europe 2020</u>", the EU's growth strategy. The draft Communication aims at introducing more flexibility with respect to the form of public support given by Member States and at covering up to 100% of the funding gap on the basis of a large set of eligible costs.

#### 2. Commercial law

# France: Reform of the law of obligations

Although the <u>bill</u> on the modernisation and simplification of laws and procedures in the field of justice and home affairs tabled in the Senate on 27 November 2013 was adopted as amended at first reading on 23 January 2014, the Senate overwhelmingly voted down (by 346 votes against 1) the government's power to legislate by way of order with respect to the law of obligations and contracts. For now, the bill is subject to first reading before the National Assembly and it has been referred to the commission of constitutional law, the legislation and general administration of the Republic.

The reform of the law of obligations, concerning articles 1101 to 1381 of the Civil Code, is a major reform and has been enriched by the Catala report in 2005, the Terré report in 2008 and other work and reflections involving stakeholders of the field. It intends to address the three main sources of obligations: contracts, civil liability and quasi-contracts. It aims at modernizing the law of obligations, by consolidating certain principles established by case-law and by introducing new provisions. The reforms aims to better deal with the contractual formation process, in particular as regards precontractual negotiations, undertaking to sell, preemption right and contracts in electronic form. Furthermore, the bill proposes to remove all references to the concept of cause and to acknowledge the theory of unforseeability, unilateral termination of the agreement in case of material breach, assignment of debt and the possibility for the judge to set the prices unilaterally for specific contracts. The reform also provides the possibility for the judge to remove a clause which generates any significant imbalance in the parties' rights and obligations and to revise any excessive price set up unilaterally. An overall reform of evidence is also provided.

#### France: Bill for the effective equality between women and men

On 21 January 2014, the National Assembly adopted at first reading the <u>bill</u> for the effective equality between women and men. This bill endeavours to ensure a balanced representation of women in the composition of boards of directors or supervisory boards of public companies and unlisted limited liability companies. Amendment n°249 to the bill aiming at a new Article 5 sexies A prescribes to remove any reference to the "prudent-man" principle ("*bon père de famille*") under French law and to substitute the word "reasonably". The amendment was adopted when discussing the bill. The Senate should proceed to second reading of the bill in the spring of 2014.

# France: Enactment of the bill intending to regulate distant sales of books

On 8 January 2014, the <u>bill</u> intending to regulate distant sales of books and enabling the government to legislate by way of order on provisions of the intellectual property Code dealing with publishing contracts, was adopted at first reading by the Senate. The bill seeks to modify law of 10 August 1981 on the unique price of a book pursuant to which any seller may offer a 5% rebate on the price of the book set by the publisher. The bill intends to insert a new paragraph to article 1 of the law of 1981, providing that the sales price of a book purchased online is set by the publisher, meaning without the 5% rebate. The bill voted by the Senate provides that in case of a paper book purchased online, the seller cannot cumulate both the 5% rebate and free shipping. The bill further stipulates a three month implementation period for the system set up by the bill and also for the government's ability to legislate by way of order to change provisions of the intellectual property Code dealing with publishing contracts. The bill still needs to be addressed at a public session on 20 February 2014.

# 3. Corporate

#### France: The Government enabled to take measures in order to simplify life of companies

On 3 January 2014, Law n°2014-1 of 2 January 2014 enabling the Government to simplify and secure the life of companies by way of orders was published in the Official Journal.

This law concerns in particular:

- the reform of regulated agreements;
- the securing of the rules of redemption of preference shares;
- the simplification of formalities related to the transfer of shares of SNC and SARL;
- the amendment of Article 1843-4 of the French Civil Code.

The authorization for the considered corporate law measures was granted until 3 September 2014.

#### France: Establishment of the council on simplification for companies

<u>Decree n°2014-11 of 8 January 2014</u> established the council on simplification for companies, placed with the Prime Minister, for a period of three years. This council is responsible for proposing to the Government the strategy directions of the simplification policy towards companies.

#### France: Publication of the implementation guide of the AFEP-MEDEF code

On 12 January 2014, the High Committee on corporate governance published the <u>implementation guide of the AFEP-MEDEF corporate governance</u> <u>code of listed corporations of June 2013</u>. This guide aims to clarify the interpretation given to certain recommendations of the corporate governance code of listed corporations of and to provide tools to facilitate its implementation.

#### France: Passage at first reading of the draft law on equality between women and men

On 28 January 2014, the National Assembly adopted the <u>draft law for real equality between women and men</u>. This text improves the fair representation of women in boards of directors and supervisory boards of certain public companies and unlisted companies. This draft law will be discussed at second reading in the Senate.

#### 4. Employment

#### France: Decree suppressing the € 35 contribution before the Labour Court

Since 1 October 2011, any person bringing a case before the Labour Court had to pay a € 35 stamp duty. The 2014 Finance law suppressed this tax, with effect from 1 January 2014. However, it shall be noticed that this tax remains applicable to any action brought before the Labour Court before 1 January 2014. The Decree n°2013-1280 of 29 December 2013 specifies the modalities of this removal.

# France: Decree outlining the collection methods of the pensions' increases paid to employees within the context of a professional accident resulting from the inexcusable conduct of the employer, benefiting to the CPAM

<u>The Decree n°2014-13 of 8 January 2014</u> specifies the recovery modalities that can be used by the *CPAM* to collect pensions' increases paid to employees within the context of a professional accident resulting from the inexcusable conduct of the employer. This text provides that the pensions paid by the *CPAM* may be recovered directly from the employer, not by an additional social contribution but as a lump-sum.

# France: Instruction from the Minister of Labour addressed to the *DIRECCTE* specifying the time lines relating to the "contrat de génération"

By letter dated 29 January 2014 sent to the *DIRECCTE*, the Minister encourages them to assist companies that have entered into negotiations on the "contrat de génération" and that are finalising agreements on such matter, in order to achieve their deposit in the next few weeks. Companies that did not come forward will be informed of the launching of a formal notice against them, which could lead to a penalty, should they fail to comply with this obligation.

#### 5. Environment

# France: Classified Installations: Unique Permit

Law n°2014-1 dated 2 January 2014 published in the Official Journal of 3 January 2014 allows in particular the government to take by ordinance the measures necessary to grant on an experimental basis, in specific regions and for a limited period of time, a unique permit for projects relating to the operation of classified installations.

The future ordinance will define the conditions under which such single permit will be granted as the legal authorisation pursuant to the classified installations regulation as well as to the French planning code and to the French energy code for the projects concerned.

#### 6. Insurance

# France: Mutual Insurance Companies – Mergers

Decree n°2014-12 of 8 January 2014 on the procedure for mergers of mutual insurance companies creates a sub-section in the French Insurance Code (Articles R. 322-106 *et seq.*) to allow these companies to merge with each other. The decree thus plugs a legal vacuum and subjects mutual insurance companies to the merger procedure for limited companies conducting insurance operations. The decree also amends certain provisions of the French Monetary and Financial Code relating to the resolution of banking crises and powers of supervisory authorities in banking and finance following the creation of the European Supervisory Authorities. The Decree came into force on 9 January 2014.

# France: Reform of Life insurance - Tax aspects

The amending finance bill for 2013 n°2013-1279 (Article 9) reforms the tax treatment of life insurance and creates two new categories of contracts:

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the euro growth (*euro croissance*) and the contract life generation (*contrat vie génération*). It also strengthens the reporting obligations of insurers established in France on life insurance policies held by individuals and creates a national database of life insurance contracts (Article 10). These reporting obligations will come into force on 1<sup>st</sup> January 2016 (please refer to the Legal and regulatory update - November 2013).

#### European Law: EIOPA – Comparison websites

On 30 January 2014, the European Insurance and Occupational Pensions Authority (EIOPA) published a report outlining good practices for websites that compare insurance products. The purpose of this report is to promote transparency, simplicity and fairness for internet users in the market for online comparisons of insurance products. It sets out good practices that concern primarily the activities of commercial comparison websites, although EIOPA says that operators of non-commercial websites are also encouraged to check whether their practices are in line with the good practices in the report and to adapt them accordingly, if needed.

#### 7. Intellectual Property

France: Adoption of the Law harmonizing the statute of limitation for offences under the Law of 29 July 1881 on the freedom of the press committed on the basis of gender, gender identity, sexual orientation or disability

The Law n°2014-56 of 27 January 2014 amending the law of 29 July 1881 on the freedom of press extends the statute of limitation from three months to one year for offences of provocation to discrimination, defamation or insult committed on the basis of gender, gender identity, sexual orientation or disability.

The Law n°2004-204 of 9 March 2004 on the adaptation of the judicial system to the developments in criminality, so called "Perben II Law" had already extended the statute of limitation to one year for offences of provocation to discrimination, defamation or insult with a racist, an ethnic or a religious connotation.

France: Agreement for the extension to French Polynesia of intellectual property titles delivered by the French Industrial Property Office (INPI)

Following the Polynesian Law n°2013-14 of 6 May 2013 and the Polynesian Decree n°1002 CM of 22 July 2013 (please refer to the French legal and regulatory update - September 2013), French Polynesia and the INPI signed an Agreement for the extension of intellectual property titles.

Patents, trade marks, designs and topographies of semi-conductor products applied for, renewed or extended with the INPI as from 1 February 2014 can have their protection extended to French Polynesia, upon request of their proprietor.

The fees for an extension are set to  $\leq$ 300 for the filings of a patent and  $\leq$ 60 for the filings, renewals or extensions of a trade mark, a design or topography of semi-conductor products.

European Law: European Resolution of the French Senate to the making available on the market and patentability of seeds and plant varieties (E8314)

On January, 17th 2014, the Senate adopted a European Resolution of the French Senate to the making available on the market and patentability of seeds and plant varieties (E8314) with a view to give its opinion on the proposal for a Regulation of the European Parliament and of the Council concerning the production and the making available on the market of plant reproductive material.

Firstly, the Senate recalls that seeds and plant varieties belong to a specific system of protection (the Proprietary Variety Protection Certificate) and that the European Patent Convention excludes plant varieties, processes for plant varieties which are essentially biological as well as modern techniques of assisted plant breeding from patentability.

Secondly, the Senate states that it disapproves the patentability of seed innovations and of genetically-selected plants.

# 8. New technologies

#### France: Development of digital economy

The law authorizing the Government to simplify and secure the life of companies was published in the Official Journal on 3 January 2014 (please refer to the Telecoms section).

#### France: Copyright levies

A decree of 24 January 2014, published in the *Journal Officiel* on 31 January 2014, sets the content of the explanatory note concerning copyright levies which now has to be displayed in stores and on websites. This note will inform customers of the amount of the copyright levies applied to the purchase price of each recording medium.

# France: IP Tracking

On 27 January 2014, the French data protection authority (CNIL) published the results of its investigation, conducted in collaboration with the French General Directorate for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF) regarding price modulation practices, in particular in the transportation and travel industry. The investigation has not revealed any practices consisting in adapting prices depending on the internet users' IP address but revealed the implementation of practices leading to a variation of prices based either on the number of remaining available seats or on the time when the internet user makes a reservation.

# France: Observatory of liberties and digital technology

The Human Rights League (LDH), the Union of French Lawyers (SAF), the Union of Magistrates (DM), the Studies center for citizenship, computerization and liberties (Cecil) and the Creis-Terminal met on 27 January 2014 to create the Observatory of liberties and digital technology (*Observatoire des libertés et du numérique*). The Observatory will have the mission to defend, initiate and encourage the adoption and development of digital policies which are respectful of individual rights and liberties.

#### European Law: Handbook on personal data

The European Council and the European Union Agency for Fundamental Rights published a Handbook on European data protection law. This Handbook is a comprehensive guide to European data protection law providing an overview of the applicable legal frameworks and explaining the key jurisprudence of both the European Court of Human Rights and the Court of Justice of the European Union.

#### 9. Procedures

#### France: Criminal procedure: Setting up of a financial Public Prosecutor's office

<u>Bill n°2013-1117 of 6 December 2013</u> on the fight against tax fraud and large-scale economic and financial crime has created a financial Public Prosecutor who has national concurrent jurisdiction over bribery and complex tax fraud, as well as exclusive jurisdiction over stock market issues (Title V). The financial Public Prosecutor's office will be implemented on 1<sup>st</sup> February 2014.

<u>Decree n°2014-64 of 29 January 2014</u> on the financial Public Prosecutor's office introduces, within the Code of Judicial Organisation, some provisions regarding the organisation and functioning of the financial Public Prosecutor's office.

#### 10. Real estate

#### France: Rents: index

The cost of construction index (ICC) for the third quarter of 2013 published by the National Institute of Statistics and Economic Studies (INSEE) (Information Rapide INSEE, n°2, 7 January 2014) amounts to 1612 which corresponds to a 2.18% decrease over a year.

The commercial rents index (ILC) for the third quarter of 2013 published by the National Institute of Statistics and Economic Studies (INSEE) (Information Rapide INSEE, n°3, 7 January 2014) amounts to 108.47 which represents an increase of 0.28% over one year.

The tertiary activities rents index (ILAT) for the third quarter of 2013 published by the National Institute of Statistics and Economic Studies (INSEE) (Information Rapide INSEE, n°4, 7 January 2014) amounts to 107.16 which corresponds to an increase of 0.66% over one year.

#### France: VAT

<u>Decree n°2014-44</u> dated 20 January 2014 published in the Official Journal of 22 January 2014 notably modifies the effective date of the VAT option for the rentals of empty premises for professional use. This option now takes effect on the first day of the month during which the VAT option was made.

#### 11. Tax

#### France: Updating of the list of Non-Cooperative States and Territories ("NCST")

Bermuda and Jersey have been removed from the list of Non-Cooperative States and Territories as from 1 January 2014 (<u>Resolution dated 17</u> January 2014, published to the Official Journal dated 19 January 2014).

Are now considered as NCST: Botswana, Brunei, Guatemala, Marshall Islands, the British Virgin Islands, Montserrat, Nauru and Niue.

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# France: Election letter for Value Added Tax ("VAT") regime applicable to certain rentals of real property

Effective dates concerning both the election and the renunciation to the VAT regime applicable to the rentals of business premises and of rural property, have been modified (<u>Resolution n°2014-44 dated 20 January 2014</u>, published to the Official Journal dated 22 January 2014 – article 260,2 of the French Tax Code).

As of 23 January 2014, the effective date which is applicable both to the election and to the renunciation, is the first day of the month in which the election or the renunciation are made to the competent French tax authorities.

As a reminder, until 23 January 2014, both the election or the renunciation took effect on the first day of the month following the month in which they have been filed.

# France: Upper limit on Wealth tax

The French tax authorities have updated their Guidelines about decisions taken by the French Council of State (*Conseil d'Etat*) and the French Constitutional Council (*Conseil constitutionnel*), by removing the doctrine which included in the calculation of the upper limit on wealth tax, income from certificates and bond investments and life insurance contracts.

#### France: Change of the taxpayer liable to pay VAT applicable to building works

As a reminder, the 2014 Finance Bill (*article 13 of the Law 2013-1278 dated 29 December 2013*) provides for, under article 283, 2 *nonies* of the French Tax Code, a VAT reverse charge mechanism by the liable taker for all real estate works realized by a subcontractor company located in France (construction works, repair works, cleaning works, maintenance works, alteration and demolition works regarding real property).

The French tax authorities have clarified the scope and the terms and conditions of this mechanism (<u>BOI-TVA-DECLA-10-10-20 n°531 and following</u> <u>dated 24 January 2014</u>).

#### France: Updating of the maximal rate of deductible interest

Pursuant to Article 39-1-3 of the French Tax Code, the maximal rate of deductible interest for the twelve-month period ending from 31 December 2013 to 30 March 2014, is 2.79% (BOI-BIC-CHG-50-50-30 n°40, dated 22 January 2014).

#### France: Reform of the payroll tax

The French tax authorities have updated their administrative guidelines by taking into account changes made to the payroll tax, provided for the 2013 Social Security Financial Act (*article 13 of the Law n°2012-1404 dated 2013*) and the 2014 Finance Bill (*Articles 2 and 75 of the Law °2013-1278 dated 2014*).

The following key measures have been provided for (BOI-TPS-TS dated 22 January 2014):

- Alignment of the payroll tax base with the general social contribution base. From now on, the payroll tax base corresponds to the gross amount of remunerations, compensations, allowances, bonuses and benefits in kind or in cash which are granted to employees.

- Creation of a 20% additional tax bracket applicable to the fraction of individual remuneration exceeding 150,000€.

- Alignment of the payroll tax scale with the income tax scale, which was subject to a revaluation of 0.8%.

- Exclusion of stock options and allocation of free shares from the payroll tax base.

# France: French financial transactions tax

The French tax authorities have clarified the regime applicable to the French financial transactions tax regarding the scope of the tax, persons liable for this tax, the tax base and undertakings for collective investment in transferable securities (UCITS) (<u>BOI-TCA-FIN-10 dated 20 January 2014</u>).

#### 12. Telecoms

#### France: The Government enabled to take measures in order to support the development of the digital economy

#### Law n°2014-1 of 2 January 2014 enabling the Government to simplify and secure the life of companies was published on 3 January 2014.

Article 1 of this law authorizes the Government to take by way of orders any legislative measure in order to support the development of the digital economy by:

- ensuring compliance with the European Union law of legislative provisions of the French Post and Electronic Communications Code regarding .fr domain names;

- securing, within the same Code, the sanctioning power of the Autorité de régulation des communications électroniques et des postes against companies operating in the postal sector and in the sector of electronic communications;

- promoting the establishment of very high speed optical fiber electronic communication lines in residential and business premises and clarifying the conditions for the establishment of these lines.

This authorization is granted for a period of six months as of 3 January 2014.

# France: Ministerial decree dated 31 December 2013 aiming to extend the scope of the reduction of phone bills under the universal service

On 3 January 2014, Decree n°2013-1331 of 31 December 2013 concerning the conditions for the application of reduced phone bills under the universal service was published in the Official Journal.

The Decree aims to extend the scope of the phone bills reduction applicable to people with low incomes to all elements of the component of universal service mentioned in Article L. 35-1 1 of the French Post and Electronic Communications Code, and in particular to the fixed telephony network enabling and to telephone service offer.

The decree takes effect as of 4 January 2014.

# France: ARCEP strengthens resource pooling to help facilitate FttH network rollouts

The Autorité de régulation des communications électroniques et des postes (ARCEP) has adopted a decision and a recommendation that strengthen FttH network sharing by reducing the number of very high density areas, where less sharing is occurring, and by defining appropriate solutions for buildings in these areas with fewer than 12 residential or business premises.

Decision n°2013-1475 dated 10 December 2013 amends the list of very high density municipalities to take into practical consideration the rollouts that operators have performed since 2009, and the technical and financial conditions under which operators are performing their rollouts.

<u>Recommendation dated 21 January 2014</u> concerns the access conditions to FttH lines for small buildings of fewer than 12 residential or business premises in very high density areas, and located outside the low-density pockets. The new recommendation is meant to enable coverage for all types of building, regardless of their size or location.

# European Law: Cloud Standards Coordination Final report

On 16 December 2013, the European Telecommunications Standards Institute (ETSI) published Cloud Standards Coordination Final Report.

The report provides:

- a definition of roles in cloud computing;
- the collection and classification of over 100 cloud computing Use Cases;

- a list of around 20 relevant organizations in cloud computing Standardization and a selection of around 150 associated documents, Standards & Specifications as well as Reports & White Papers produced by these organizations;

- a classification of activities that need to be undertaken by Cloud Service Customers or Cloud Service Providers over the whole Cloud Service Life-Cycle;

- a mapping of the selected cloud computing documents (in particular Standards & Specifications) on these activities.

# European Law: Draft revised Recommendation on relevant markets

On 24 January 2014, after a public consultation and an external study, the European Commission published the <u>draft revised Recommendation and</u> <u>its accompanying draft Explanatory Note</u> on relevant product and service markets within the electronic communications sector susceptible to *ex ante* regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services.

# 13. Transport

# European Law: Public consultation on the provision of EU-wide real-time traffic information services

The European Commission launched on 20 December 2013 a <u>public consultation</u> on the provision of EU-wide real-time traffic information. This consultation is being launched in the context of the implementation of <u>Directive 2010/40/EU</u> of 7 July 2010 on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for the interfaces with other modes of transport (the "ITS Directive").

Interested third parties can submit their comments until 14 March 2014.

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