

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 April 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 in 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 social and solidarity-based economy**, n°805 – filed on July 24, 2013 – adopted in first reading by the Senate on November 7, 2013.
- **Draft law for craft industry, trade and very small businesses**, n°1338 – adopted in first reading by the National Assembly on February 4, 2014 and afterwards by the Senate on April 17, 2014 – Seisin of the CMP.
- **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 in first reading by the National Assembly on October 3, 2013 and by the Senate on January 8, 2014 – adopted with amendments in second reading by 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 ordinance n°2013-676 of July 25, 2013 which amends the legal framework of asset management**, n°1467, filed on October 16, 2013.
- **Draft law for farming, food and forest**, n°1548, filed before the National Assembly on November 13, 2013 – adopted in first reading by the National Assembly on January 14, 2014 and by the Senate on April 15, 2014.
- **Draft law relating to inactive bank accounts and dormant life insurance contracts**, n°1546, filed on November 13, 2013 – Adopted in first reading by the National Assembly on February 19, 2014.

- **Draft law for the modernisation and simplification of law and procedures in relation to justice and home affairs**, n°175, filed before the Senate on November 27, 2013 – adopted in first reading by the Senate on January 23, 2014 and by the National Assembly on April 16, 2014 – Seisin of a CMP.
- **Draft law aiming at (i) reinforcing the liability of contractors and ordering customers for subcontracting contracts and (ii) fighting against social dumping and unfair competition**, n°1686, filed on January 8, 2014 – adopted in first reading by the National Assembly on February 25, 2014.
- **Draft law relating to the prohibiting of the cultivation of genetically modified maize MON810**, n°1797, filed before the National Assembly on February 18, 2014 – Adopted in first reading by the National Assembly on April 15, 2014.
- **Draft law relating to the development, supervision of training periods and improvement of trainees' status**, n°1701, filed on January 14, 2014 – adopted in first reading by the National Assembly on February 24, 2014.
- **Draft law relating to biodiversity**, n°1847, filed on March 26, 2014.
- **Draft law relating to securitisation and structured lending agreements taken out by legal entities governed by public law**, n°481, filed before the Senate on April 23, 2014.
- **Draft law relating to relating to various provisions in connection with criminal procedure for the transposition of EU Law into French Law**, n° 482, filed before the Senate on April 23, 2014.

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## Enacted laws

- **Law n°2014-384 of March 29, 2014 aiming to regain the real economy** – OJ of April 1<sup>st</sup> 2014.
- **Law n°2014-427 of April 28, 2014 for the ratifying of the agreement on social security between the French Republic and the Federative Republic of Brazil** – OJ of April 29, 2014.

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## 1. Audiovisual

### France - French CSA strengthens the protection of youth against broadcasting of violent programs

Resolution n°2014-17 dated 5 March 2014 published in the Official Journal on 9 April 2014, amends Recommendation n°2005-5 of 7 June 2005 to the editors of television services for the identification and classification of youth programs, formerly amended by Resolution n°2012-57 dated 23 October 2012 (please refer to the Legal and Regulatory update -November 2012) of the *Conseil supérieur de l'audiovisuel* (Superior council of audiovisual - CSA) and in particular, reinforces the protection of youth against violence.

The new Resolution enlarges Category III programs (i.e. programs which may offend children under the age of twelve) to programs with "*repeated*" physical or psychological violence (instead of "*systematically*" beforehand). Moreover, the exceptional broadcast of these programs after 8.30pm (thus earlier than 10pm) for television services other than cinema channels and pay-per-view services is now limited to sixteen per year.

Lastly, the new Resolution provides for an exception to the prohibition to broadcast certain violent programs between 6am and 10pm for programs addressing a historical or a controversial topic and that they are broadcasted together with an educational support to set the context of the scenes that may offend children under the age of twelve.

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## 2. Capital Markets

### European Law - Regulatory technical standards for publication of supplements to the prospectus

Commission Delegated Regulation (EU) n°382/2014 of 7 March 2014 of the European Commission, published in the Official Journal of the European Union (OJUE), supplements Directive 2003/71/EC by identifying cases in which the publication of a supplement to the prospectus is required. This is the case, among others, where the net working capital statement of the issuer is no longer up to date, where an issuer or offeror decides to offer securities or to apply for admission to trading on regulated markets in Member States other than those provided for in the prospectus, where a significant financial commitment arises or where there is an increase in the aggregate nominal amount of an offering included in the prospectus.

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## 3. Competition

### France - Distribution of train tickets – Public consultation on commitments proposed by SNCF

The French Competition Authority launched on 28 April 2014 a market test on the commitments offered by SNCF in response to the competition concerns identified by the Authority, related to the differences in treatment between SNCF's travel agency (VSC) and third party travel agencies in terms of the distribution of train tickets. The commitments mainly aim to (i) distinguish between the operational entities and the entities responsible for managing the distribution system; (ii) align the conditions of payment and access to VSC's services with those of third party agencies; (iii) modify SNCF's website (in order to provide for the function "Reservation" to be independent from the function "Schedule"); (iv) implement a competition law compliance program.

Interested third parties can submit their comments until 28 May 2014.

### France - Abuse of a dominant position – Public consultation on commitments proposed by Nespresso

The French Competition Authority launched on 17 April 2014 a market test on the commitments offered by the manufacturer Nespresso in response to the identified competition concerns. According to the Authority, Nespresso is likely to have abused its dominant position by tying, without any objective justification, the purchase of its capsules to that of its coffee machines, thus taking advantage of its dominant position on the tying market in order to strengthen its dominant position on the tied market and thereby excluding competing manufacturers of capsules. The proposed commitments include three components: (i) a technical component: Nespresso is required to communicate any changes to its coffee machines to competing manufacturers of capsules; (ii) a legal component: Nespresso offers to implement new warranty conditions; (iii) a commercial component: Nespresso will refrain from formulating any comments on capsules from competitors.

Interested third parties can submit their comments until 19 May 2014.

### European Law - State Aid – Adoption of new guidelines on public support for projects in the field of environmental protection and energy

The Guidelines (EU) on public support for environmental protection and energy were adopted on 9 April 2014 by the European Commission. In order to support Member States in reaching their 2020 climate targets, while addressing the market distortions that may result from subsidies granted to renewable energy sources, the new rules promote a gradual introduction of market based mechanisms for renewable energy. They also provide criteria on how Member States can relieve energy intensive companies that are particularly exposed to international competition from charges levied for the support of renewables. Moreover, the guidelines include new provisions on aid to energy infrastructure and generation capacity to strengthen the internal energy market and ensure security of supply.

The new rules will shortly be published in the Official Journal of the European Union and will be valid from 1 July 2014 until the end of 2020.

### European Law - State Aid – Introduction of a new mandatory complaint form

A new complaint form intended to streamline the handling of state aid complaints was introduced on 9 April by the European Commission. One of the main objectives of the State Aid Modernisation initiative of the European Union was the streamlining of the handling of complaints, by clarifying the requirements to lodge a complaint and setting up a more transparent and faster procedure. The new form will enable complainants to provide the Commission with the core elements necessary to investigate possible illegal aid in a single submission. Furthermore, in order to be registered as a formal complaint, the information submitted to the Commission must fulfill two criteria: (i) it must be submitted by an interested party, as defined by Regulation No. 659/1999 of 22 March 1999, and (ii) the information must be submitted in a complete and structured manner, using the compulsory complaint form.

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#### **4. Corporate**

##### **France - Publication of the legislation Florange**

After having been censured partially by Constitutional Council, the legislation n°2014-384 of 29 March 2014 aiming to regain the real economy (called legislation Florange) was published in the Official Journal on 1 April 2014.

The text provides in particular:

- a legal double voting right in listed companies;
- the change in the regulation of takeover bids and the creation of an automatic threshold of caducity at 50% of capital or voting rights of the target in case of takeover bid;
- the increase of the ceiling of allocation of free shares to employees and executive officers.

Most of the provisions of the legislation Florange are effective as of 2 April 2014. However, the entry into force of the new threshold of caducity is subject to the prior modification of the General Regulation of the *Autorité des marchés financiers*.

##### **France - Individual shareholders' vote at general meetings: the AMF updates its practical guide**

On 4 April 2014, the *Autorité des marchés financiers* published a new version of its educational guide related to the individual shareholders' vote at general meetings of listed companies.

##### **France - Simplification measures for businesses**

On 14 April 2014, the Business simplification committee that was created on 8 January 2014 presented the first 50 simplification measures for businesses.

These measures are aiming in particular to:

- secure the life of companies through an environment that is easier to understand and more predictable;
- simplify the life of companies; and
- facilitate the recruitment of employees and their training.

Most of these measures could be implemented either as of 14 April 2014 or as of 31 December 2014.

##### **France - Passage at 2<sup>nd</sup> reading in the Senate of the draft law on equality between women and men**

On 17 April 2014, the Senate adopted at second reading the draft law for real equality between women and men. 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 National Assembly.

### **European Law - European Commission proposes to strengthen shareholder engagement and introduce a "say on pay" for Europe's largest companies**

On 9 April 2014, the European Commission adopted measures to improve the corporate governance of around 10,000 companies listed on Europe's stock exchanges. This would contribute to the competitiveness and long-term sustainability of these companies.

These measures include:

-revision of the Shareholder Rights Directive;

-recommendation on the quality of corporate governance reporting ("comply or explain"); and

-single-member Companies Directive.

### **European Law - Publication of a Delegated Regulation supplementing the Prospectus Directive**

On 15 April 2014, the Commission Delegated Regulation (EU) n°382/2014 of 7 March 2014 was published in the Official Journal of the European Union. The text aims to supplement the Directive 2003/71/EC of the European Parliament and of the Council (called Prospectus Directive) and specifies the terms of the mandatory publication of supplements to the prospectus.

### **European Law - Directive improving corporate governance adopted by the European Parliament**

On 15 April 2014, the European Parliament adopted the Directive on disclosure of non-financial and diversity information by large companies and groups. Companies concerned (with more than 500 employees) will need to disclose information on policies, risks and results as regards environmental matters, social and employee-related aspects, respect for human rights, anti-corruption and bribery issues, and diversity on boards of directors.

The Council will examine the text shortly.

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## **5. Employment**

### **France - Law "florange" : obligation to look for a buyer in case of closing down plan of an establishment**

Law n°2014-384 dated 29 March 2014 (*OJ of 1<sup>st</sup> April 2014*) aiming at recovering the real economy so-called "Florange" obliges companies with more 1,000 employees that are considering the closure of an establishment, that would lead to a redundancy plan for economic reasons, to look for a buyer and to give a motivated answer to each takeover offer received. This obligation applies to collective redundancy procedures engaged from 1<sup>st</sup> April 2014. The Law also reinforces the role of the Works Council in the case of takeover bid.

### **France - Letter from the general labor directorate : continuation of the profit sharing bonus for 2014**

The letter of the General Labor Directorate dated 8 April 2014 confirms that the profit sharing bonus, to be paid to employees in companies with more than 50 employees and whose dividends increase, is continued in 2014.

A inter professional negotiation on savings plans may should start soon.

## **France - Collective bargaining agreement "*bureaux d'études techniques, cabinets d'ingénieurs-conseils, sociétés de conseil*" (syntec) : amendment securing fixed annual working time in days**

An amendment to the collective bargaining agreement "Syntec" was signed on 1<sup>st</sup> April 2014 in order to secure the fixed annual working time in days in accordance with recent French case law.

This amendment notably envisages the implementation of:

-an individual and written convention of fixed annual working time in days enumerating the nature of the missions justifying the recourse to fixed annual working time in days, the number of days worked during the year, the remuneration ;

-two individual, annual and obligatory interviews consecrated to the workload and the remuneration and an interview in case of unusual difficulty of the employee.

The publication of the Ministerial Decree of extension is expected to make this amendment applicable to non-signatory companies.

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## **6. Insolvency proceedings**

### **France - French insolvency reform**

The law n°2014-1 dated 2 January 2014 empowered the French Government to pass further legislation aimed at simplifying the legal requirements that have to be met by a company and ensuring the survival of companies as a going concern. Article 2 of this law in particular encouraged the French Government to improve the French insolvency laws. As a consequence, ordinance n°2014-326 dated 12 March 2014, which was made pursuant to this law, contains several provisions of significance for French insolvency proceedings opened on or after 1 July 2014.

The Reform aims to redress the balance between the insolvent company and its creditors by improving creditors' rights. It also adopts several modifications requested by the practitioners about the monitoring and simplification of insolvency proceedings.

#### ***Preventive proceedings: Mandat Ad hoc and conciliation***

As has always been the case in conciliation proceedings, the order from the President of the Court appointing the *Mandataire ad hoc* will be communicated to the statutory auditors. However, the reform does not provide that the communication to auditors terminates the alert procedure if engaged beforehand. This is regrettable because the coexistence of alert procedure and of preventive proceedings may affect the confidentiality of prevention proceedings, which is essential to their success.

The conciliator may be entrusted by the debtor, after notice to participating creditors, to arrange a partial or total sale of the business of the company. Then, such a sale may be implemented through an insolvency proceeding. The law now requires that the Court, when preparing the sale of the business, should take into account the initiatives taken by the conciliator in order to arrange a sale of the business. It is a significant change which is close to the English prepack and that may be usable in the practice.

The statutory priority of new money granted during the conciliation process (called *new money*) is extended to include amounts made available to the company during the negotiations leading to the conciliation agreement and not only to amounts provided once the conciliation agreement has been reached. This clarifies the status of new money injected prior to the sanction of the conciliation agreement.

Where a safeguard or reorganisation plan is subsequently adopted, the creditor benefiting from the statutory priority may not be imposed a term out by the Court. It was important to clarify this point since the text was ambiguous.

Provisions in a contract which provide that the mere fact of appointing a *Mandataire ad hoc* or opening a conciliation proceedings modifies the conditions for continuing a current contract by an increase of the company's obligations or a reduction in its rights, or a cause for the company to pay the costs of the creditors' advisers above a certain threshold to be set by decree by the Ministry of Justice) will be void. This encourages to pay attention in the drafting of loans and other commercial contracts.

The remuneration of the *Mandataire ad hoc* and the conciliator cannot be linked to the amount of waivers of claims obtained, nor be subject to a fixed price for the opening of the matter. Knowing that the remuneration cannot be linked in this way should reassure creditors regarding the motives of the *Mandataire ad hoc* or the conciliator during the negotiations.

Finally, whilst the conciliation agreement is in place, interest which accrues on claims covered by the agreement cannot be capitalized.

### ***The accelerated safeguard***

The accelerated financial safeguard (SFA) was introduced in 2010. Its purpose was to allow for the implementation through a safeguard process of proposals negotiated for debt renegotiation during conciliation proceedings but which were not accepted by all creditors.

The SFA was originally limited to debtors fulfilling the criteria of high thresholds (150 employees and €20m turnover) and it could only be used in relation to financial creditors. The reform has extended the SFA to debtors fulfilling criteria lower than those applicable previously to the SFA and can be used for all creditors and not only financial creditors.

As was the case for the SFA, the accelerated safeguard will only be available for debtors in conciliation proceedings where a reorganisation plan supported by a significant number of creditors is likely to be adopted within a period of one to three months. The cash-flow insolvency of the debtor does not necessarily prevent the opening of an accelerated safeguard, provided the company has not been cash-flow insolvent for more than 45 days prior to the filing for the commencement of the conciliation proceedings.

The SFA remains in force and meets the same criteria as those of the accelerated safeguard. It affects financial creditors only and its duration is shorter (one month, which can be renewed once).

### ***The reinforcement of creditors' rights***

Creditors' rights have been improved by four key measures:

-In safeguard or reorganisation proceedings, the ability for any creditor member of a creditors' committee to submit to the judicial administrator a reorganisation plan competing with the debtor's plan. Previously, creditors could only submit proposals to the debtor and it was then up to the debtor whether or not to include those proposals in its plan. The Court may now have to decide on competing plans.

-The allocation of voting rights within the creditors' committee according to subordination agreements, voting agreements or aiming at the total or partial payment of the claim by a third-party (CDS, securities, guarantees). Each creditor shall inform the judicial administrator of the existence of such agreements. The administrator will submit to each creditor his calculation of how many votes he has allocated to that creditor. In case of disagreement, the creditor or the administrator may submit the dispute to the President of the Court, to rule under summary proceedings. In 2008, the legislator had already introduced a provision according to which the plan had to take into account subordination agreements. This principle is strengthened, which is a good thing, but the path chosen will surely be a source of disputes.

-The ability to "evict" or remove a shareholder has been discussed at length. It is excluded in safeguard proceedings, and the ability is limited in judicial reorganisation: the judicial administrator may request the appointment of a person in charge who would then convene a shareholders' meeting and vote instead of the "evicted" shareholder(s); however, he could only vote in relation to a decision to increase the capital for the purposes of the reconstitution of the equity capital. This restricted use is not sufficient and the legislator has already envisaged a new ordinance that will allow a shareholder to be removed. The exact way in which this would operate has not been decided yet. It is, however, clear that the shareholder can only be removed where it is necessary to allow the implementation of a reorganisation plan in favour of a third party that commits itself to respect the plan and which may be required to hold the shares for several years.

-Finally, where the judgment adopting the plan grants power to the judicial administrator to convene a shareholders' meeting to implement the amendments set out in the plan, the Court can alter the majority needed to approve the amendments. As a matter of general corporate law, such a decision would usually require approval by two thirds of the shareholders. However, the Court can now provide that such decisions need approval by a simple majority (more than 50%) of those shareholders present or represented at the shareholders' meeting.

### **Other provisions**

The process for filing a proof of claim is simplified. Where the debtor has reported a claim to the creditors' representative, it is presumed to have acted on behalf of the relevant creditor. The claim is deemed filed. The creditor is still able to file a proof of claim, in particular if he disagrees with the amount reported by the debtor and/or the guarantees attached to his claim.

The Prosecutor's power at different stages of the proceedings has been strengthened. In particular, the conditions of remuneration of the conciliator are determined after obtaining the opinion of the Prosecutor.

Conversion of safeguard proceedings into a judicial reorganisation may now be requested by the judicial administrator, the creditors' representative or the Prosecutor, in each case when no plan has been adopted by the creditors' committees within the required period. The conversion is no longer something which only the debtor could obtain.

According to Article L.622-13 of the Commercial code regarding executory contracts, the debtor no longer has to pay cash its suppliers when the contract is pursued. Such provision is only applicable for the safeguard proceedings.

In case of change in capital envisaged in the draft plan or in the plan, the approval clauses are deemed void.

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## **7. Life Sciences**

### **France - Deliberation of the CNIL on single authorization for the management of pharmacovigilance data**

On 20 March 2014, the *Commission Nationale de l'Information et des Libertés* (the "CNIL") adopted the [deliberation n°2014-099](#) on single authorization for companies or organizations operating drugs to implement processing of personal data concerning the management of health data collected in the course of the post-marketing pharmacovigilance of drugs (the "Deliberation"). Pursuant to applicable laws, any company or organization operating a drug or any other product as defined in article L.5121-1 of the public health code must establish a pharmacovigilance system to ensure monitoring and surveillance of the operated drug. This obligation includes data processing – including data of the "reporter" – which is subject to a single authorization procedure laid down in the deliberation No. 2008-005 of 10 January 2008. This text is now repealed by the new Deliberation that maintains the single authorization procedure and clarifies the rules concerning the purpose of the data processing, the nature of the processed data, the duration of data storage, the recipients of the data, the security measures, the information and the rights to access and correct and the transfers of data outside the European Union (the "EU"). The concerned companies which have made a commitment to comply under the regime of the deliberation of 2008 have a period of 12 months from the publication to comply with the new Deliberation, if necessary.

### **European Law - EU Regulation on clinical trials on medicinal products for human use**

On 14 April 2014, the Council of the EU adopted the [Proposal for a Regulation](#) on clinical trials on medicinal products for human use (the "Regulation"). This text, which repeals the Directive 2001/20/EC, aims to accelerate and to simplify the procedure of authorization for clinical trials – in order to stimulate the research on new drugs – while maintaining stringent requirements on patient safety and reliability of data. This new text introduces noteworthy changes to the system, in particular by creating a coordinated authorization procedure implemented through a EU web portal managed by the European Medicine Agency that will centralize all data. Based on the mutual recognition procedure model established in the framework of marketing authorization, the developer can appoint a member state as the reporting EU member state that is responsible for conducting the procedure. The future Regulation also strengthens transparency rules by ensuring publication of certain data on the EU Portal for the benefit of citizens. The Regulation will apply immediately in all EU member states and will enter into force on the twentieth day following the day of its publication in the Official Journal of the EU.



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## 8. New technologies

### France - Security breaches

On 16 April 2014, the French data protection authority (the CNIL) published a set of guidelines to fight against the so called "Heartbleed" security breach which has been found in some versions of the OpenSSL software used by the vast majority of Web servers. The CNIL underlined that according to French data protection legislation, data controllers have an obligation to secure personal data and must take the necessary measures in this respect such as updating any vulnerable servers and implementing active monitoring of the security protocols, the operating systems and the software used.

### France - Illegal online directories incur criminal liability

After noting that its cease and desist order issued to online directories which were publishing personal data collected on the internet without being authorised to do so had not been complied with, the French data protection authority (the CNIL) referred the case to the public prosecutor. Further to this and to the criminal procedure which ensued, the Bordeaux Court of appeal sanctioned the companies, ordering a €10,000 fine on 18 December 2013.

### European Law - Data retention

In a decision dated 8 April 2014, the Court of Justice of the European Union (the ECJ) declared invalid the provisions of Directive 2006/24/EC which requires public communication network services to keep for a period of 6 to 24 months users' traffic and location data in the context of serious crimes, such as organised crime and terrorism. The ECJ held that, while necessary, the legislation was disproportionate and too intrusive.

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## 9. Real Estate

### France - Rents: index

The cost of construction index (ICC) for the fourth quarter of 2013 published by the National Institute of Statistics and Economic Studies (INSEE) ([Information Rapide INSEE, n°79, 4 April 2014](#)) amounts to 1615 which corresponds to a 1.46% decrease over a year.

The commercial rents index (ILC) for the fourth quarter of 2013 published by the National Institute of Statistics and Economic Studies (INSEE) ([Information Rapide INSEE, n°80, 4 April 2014](#)) amounts to 108.46 which represents an increase of 0.11% over one year.

The tertiary activities rents index (ILAT) for the fourth quarter of 2013 published by the National Institute of Statistics and Economic Studies (INSEE) ([Information Rapide INSEE, n°81, 4 April 2014](#)) amounts to 107.26 which corresponds to an increase of 0.5% over one year.

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## 10. Tax

### France - Limitation of the deduction of financial expenses between related companies

The Guidelines of the French Tax Authorities related to the new mechanism of deduction of financial expenses between related companies have been submitted to a public consultation from 15 April 2014 to 30 April 2014 ([BOI-IS-BASE-35-50 dated 15 April 2014](#)).

As a reminder, this mechanism has been established under *Article 22 of the Finance Law for 2014* and provided for in *Article 212, I b of the French Tax Code*. This mechanism excludes the deduction of interests from the debtor's result when interests perceived by the related creditor company are not taxed, for the current fiscal year, at least at the quarter of the common law rate of the corporate tax, increased, if necessary, by additional contributions to the corporate tax (*BOI-IS-BASE number 30 and followings dated 15 April 2014*).

This new mechanism applies to fiscal years ending on or after 25 September 2013.

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## 11. Telecoms

### France - Updating of the ARCEP's Decision 2012-036 on gathering information on interconnection and routing on the internet

The *Autorité de régulation des communications électroniques et des postes* (ARCEP) has adopted the Decision n°2014-0433 of 8 April 2014 which amends the system of gathering information on interconnection and routing on the internet (Decision 2012-0366 of 29 March 2012). The regime requires to distinguish the installed and configured capacity on each interconnection link covered by the Decision. Moreover, the new Decision allows ARCEP to request additional information periodically, in order to enable the scale assessment of a presumed traffic overload on interconnection links. Finally, ARCEP has also reduced the amount of information that operators are required to provide, and the number of relationships covered by the Decision. The new questionnaire will have to be used in the second half of 2014. For the first half of this year, concerned companies can remain confined to the data stipulated in the initial appendix to the 2012 Decision.

### France - Acquisition of SFR by Altice / Numéricable

By press release dated 7 April 2014, ARCEP declared that it would keep itself available for the French Competition Authority to provide its expertise for the buyout of SFR by Altice / Numéricable and reminded that in case of a phase 2 investigation, ARCEP will be solicited by the Competition Authority, and will issue its opinion on the planned takeover.

### France - New French Government – Manuel Valls Government

Adoption of the Decree n°2014-404 of 16 April 2014 on the powers of the Minister of Economy, productive recovery and digital affairs which provides that M. Arnaud Montebourg, Ministry of Economy, productive recovery and digital, is competent in the areas of the post and electronic communications politic, in support, for new technologies, promotion and diffusion of new technologies as in development of digital technology, economy and data politics.

Adoption of the Decree of 9 April 2014 on the composition of the government which proceed to the nomination of Mrs. Axelle Lemaire as secretary of State for digital affairs, with the Minister of Economy, productive recovery and digital affairs. Her competences are detailed in the Decree n°2014-435 of 29 April 2014 on the delegated attributions to the digital secretary of State.

### European Law - Legislative resolution of the European Parliament on the Proposal of Regulation on single market for electronic communications

By its Legislative Resolution of 3 April 2014, the European Parliament has adopted and amended the Proposal of Regulation laying down measures on single market for electronic communications. The adopted text proposes to end roaming charges from 15 December 2015, to improve the operation of radio spectrum to develop 4G and 5G to strengthen net neutrality.

### European Law - VAT on telecommunications, broadcasting, television & electronic services

In accordance with the rules previously adopted, telecommunications, broadcasting, television & electronic services will always be subject to VAT in the country of the consumer from 1<sup>st</sup> January 2015. To anticipate the change of regime, European Commission has published on 3 April 2014 an explanatory notice detailing future developments.

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