



EUROPEAN COMMISSION

MEMO

Brussels, 16 January 2013

## Women on Boards Proposal Passes Subsidiarity Test: 43:11

The European Commission's proposal to improve gender balance on company boards based on merit has today been given the **green light by a majority of national parliaments** under the EU's 'subsidiarity complaint procedure' (introduced by the Lisbon Treaty) to vet draft European legislation. National parliaments had eight weeks from when the Commission proposed a 40% objective for women on boards (see [IP/12/1205](#) and [MEMO/12/860](#)) to express their opinion on whether the Commission's proposal is in line with the subsidiarity principle – that is whether the Union is the best placed actor to take action or whether action at national, regional or local level would be more effective. National parliamentary chambers from six member states have issued so-called '**reasoned opinions**', while those in the remaining 21 EU countries have not.

Under the subsidiarity complaint procedure national parliaments have 54 votes to cast: one vote per chamber in a bicameral Parliamentary system and two votes in a unicameral system. One third of the votes (that is 18 votes out of 54) is the threshold for asking the Commission to review the proposal on grounds of subsidiarity.

Today's result whereby 11 out of 54 votes expressed subsidiarity concerns whereas **43 votes expressed no subsidiarity concerns** or explicitly backed the proposal means that the subsidiarity threshold has not been reached.

Although national parliamentary chambers from six countries (**Czech Republic** [Chamber of Deputies – the lower house], **Denmark** [single chamber system], **Netherlands** [upper and lower chamber], **Poland** [upper and lower chamber], **Sweden** [single chamber system] and the **UK** [both chambers]) challenged the subsidiarity compliance of the proposal they nevertheless agreed that action is needed to improve the presence of women on company boards in publicly listed companies. At the same time parliaments in **Germany** (Bundesrat – upper house), **France** (Assemblée nationale – lower house) and **Portugal** (Assembleia da República – single chamber parliament) have adopted **opinions supporting** the proposal. The remaining national parliaments have concluded subsidiarity checks without issuing a reasoned opinion or decided not to carry out such a check.

**Next Steps:** The proposal will now be discussed by the European Parliament and Council of the EU following the normal legislative procedure (co-decision). The European Parliament has appointed Member of the European Parliament (MEP) Rodi Kratsa-Tsagaropoulou (Committee on Women's Rights) and MEP Evelyn Regner (Committee on Legal Affairs) as co-rapporteurs (draftspersons) for the proposal. The Irish Presidency of the EU is expected to schedule a discussion of the proposal at the meeting of Social Affairs ministers from the EU Member States (EPSCO Council) on 20 June 2013. The European Commission will maintain close contact with all national parliaments throughout the legislative procedure on this file.

## **Background**

Under the Lisbon Treaty, national parliaments have eight weeks to provide an opinion on whether legislative proposals adopted by the Commission are in line with the principle of subsidiarity. If one third of parliaments (corresponding to 18 votes out of 54) contest a proposal by adopting a reasoned opinion – triggering a so-called ‘yellow card’ – the Commission has to review the proposal and decide whether to maintain, amend or withdraw the act and explain why. This has happened only once in the past, when the Commission decided to exercise the discretion it has under the procedure and announced that it would withdraw the ‘Monti II’ proposal for a regulation on posted workers’ right to take collective action (MEMO/12/661).

On 14 November 2012, the Commission adopted a proposal for a directive to set a minimum objective of 40% representation for the under-represented sex among non-executive members of company boards. This objective should be reached by 2020 for listed companies in Europe, or 2018 for listed public undertakings.

## **For more information**

IPEX database – national parliament opinions on the proposal on women on boards:

<http://www.ipex.eu/IPEXL-WEB/dossier/document/COM20120614.do#dossier-COD20120299>

Press pack: European Commission proposal on increasing Gender Equality in the Boardrooms of Listed Companies

[http://ec.europa.eu/justice/newsroom/gender-equality/news/121114\\_en.htm](http://ec.europa.eu/justice/newsroom/gender-equality/news/121114_en.htm)

European Commission – relations with national parliaments:

[http://ec.europa.eu/dgs/secretariat\\_general/relations/relations\\_other/npo/index\\_en.htm](http://ec.europa.eu/dgs/secretariat_general/relations/relations_other/npo/index_en.htm)

Homepage of Vice-President Viviane Reding, EU Justice Commissioner:

<http://ec.europa.eu/reding>

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