Mozambique has been benefiting from assistance to the judiciary system (Strategic Planning, Strategic Planning, access to justice, human rights, prison reforms, legal training, Maputo Civil Court, Police of Mozambique) by the EU (Denmark, Ireland, Portugal, Spain, Italy and the Netherlands), Norway, the United Nations Development Programme (UNDP) and the United Nations Agency for International Development (USAID).

Support to this sector is foreseen in the EC-Mozambique Country Strategy Paper, and a programme of EUR 10 million is in the process of being approved by the Commission. The strategy of this programme is to complement the activities financed by other donors and, based on the fact that problems affecting penal justice have to be tackled in a systemic way, include all the actors involved, as elements of the ‘penal justice chain’: the Police of Criminal Investigation, the Attorney-General's Office, the Courts, the correctional sector, the legal defence, as well as civil society which has a major role to play in areas such as crime prevention (through Community based activities) and advocacy against human rights violation.

The second critical area, decentralisation, aims to correct geographical imbalances in the system and facilitate access to justice, particularly at district and local level. The strategy is based on a rights and service delivery approach. The programme itself focuses on policy objectives for which different and independent institutions have to concur. The activities foreseen in the programme include institutional support, exploration into prison alternatives, media and awareness campaigns, research and surveys, training, creation of specific support funds for human rights, rehabilitation and supply of equipment.

With regard to the situation within the EU, a considerable number of measures to improve cooperation between Member States’ police services and customs administrations and to strengthen external borders have been adopted. Regarding in particular, trafficking in human organs, in February 2003, Greece presented an initiative for the adoption by the Council of a Framework Decision concerning the prevention and control of trafficking in human organs and tissues. The aim of the proposal is to define which types of conduct should be punishable in all Member States and the minimum penalties which should apply to such offences. The Commission welcomed the proposal in principle. The Commission has sought to support the initiative of Greece by inviting applications for the funding of further projects in this area under its 2004 AGIS programme for police and judicial cooperation in criminal matters.

Furthermore, Europol's mandate has been extended to include illicit trade in human organs and tissues since 1 January 2002. Europol is currently collecting information from Member States concerning the situation within the EU.

(2004/C 88 E/0178)  
WRITTEN QUESTION E-0154/04  
by Margrietus van den Berg (PSE) to the Commission  
(29 January 2004)

Subject: ‘Kleptocrat tax’

The business world claims to be going through hard times. Restructuring is common, people are losing their jobs, and losses are being recorded. None of this is their fault, say company directors, because the economy is simply in a bad way and salaries are lower. Painful measures have to be taken. We are all feeling the pinch, so we should all tighten our belts and bear the burden together. If everyone pulls together, we shall win through. But anyone taking a good look at the salaries of CEOs in the Netherlands will come to the conclusion that they are still drawing huge salaries through share-option schemes, redundancy packages, bonuses and loans. This ‘belt-tightening’ obviously does not apply to them.

Given that the proposals made by the Balkanende Government and the Tabaksblat Commission cannot properly curtail these high sums, the Dutch Trade Union Confederation FNV came up with other measures. The confederation wants the Netherlands Government to 'skim off' top incomes through income tax. This means that, above a certain amount, for example EUR 500,000, a rate of tax higher than the current rate of 52% would apply. The extra revenue that this would generate could be used to provide financial assistance to those duped by the restructuring carried out by the gentlemen concerned.
1. Is the Commission of the opinion that European CEOs earn exorbitantly high salaries, given the poor performance of their businesses and the forced redundancies that this entails?

2. Does the Commission view a 'kleptocrat tax' as an effective means of stemming the current tide, and is it prepared to call for some coordination with a view to such an approach being taken in several EU Member States?

3. Does the Commission also envisage a role for itself in this process? What measures could the Commission take?

Answer given by Mr Bolkestein on behalf of the Commission

(12 March 2004)

1. The Commission considers that the structure and amount of directors' remuneration is a matter that must primarily be left to the decision of each company and its shareholders. It considers, however, that shareholders should be able to appreciate fully the relation between the performance of the company and the level of remuneration of directors and that they should be able to make decisions on the remuneration items linked to the share price. An appropriate regime of disclosure and appropriate governance controls is necessary in this respect.

2. As the Commission stated in its Communication of May 2001 on a comprehensive strategy for the EU's future tax policy (1), there are many tax fields for which harmonisation is neither necessary nor desirable in view of the widely differing characteristics of Member States' tax systems and different national preferences in areas such as public expenditure. Taxes on personal income are one area which, in the Commission's view, should be left to Member States even when the European Union achieves a higher level of integration than at present. Co-ordination of personal taxes at EU level is only appropriate to prevent cross-border discrimination or obstacles to the exercise of the four freedoms, as well as in some cases to avoid double taxation or unintentional non-taxation in cross-border situations and to tackle cross-border evasion.

3. The Commission announced, in its Communication on modernising Company Law and Enhancing Corporate Governance in the EU of 21 May 2003 (2), its intention to adopt a Recommendation to foster an appropriate regime for the remuneration of directors. Such a regime should be composed of four key items: disclosure of the remuneration policy in the annual accounts, disclosure of details of remuneration of individual directors in the annual accounts, prior approval by the shareholder meeting of share and share option schemes in which directors participate and proper recognition in the annual accounts of the costs of such schemes for the company. The Commission intends to adopt the Recommendation in 2004.

(1) OJC284, 10.10.2001.

WRITTEN QUESTION E-0187/04

by Brice Hortefeux (PPE-DE) to the Commission

(29 January 2004)

Subject: Auditing of company accounts

In the light of the most recent scandal to date, which lifted the lid on a EUR 7 billion deficit covered up by Parmalat, the issue of auditing company accounts has returned to the table with particular force.

With tax havens, disguised financial losses, falsified documents and balance sheets, this case has all the ingredients that have characterised previous financial scandals. Even if it is still too early to draw any conclusions from this extremely complex affair, it is useful and necessary to begin examining the consequences it will have for European financial services policy.