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International and European News 15 January 2016

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The euro area consists of Belgium, Germany, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. From 1 January 2011, the euro area includes Estonia and on 1 January 2014 when Latvia adopted the euro the euro area became the EA18. From 1 July 2013, the EU28 includes Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Croatia, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.

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International News

Wall Street surges in volatile trade

[15 January 2016, *Business Spectator*] By DOW JONES NEWSWIRES: US stocks jumped at the close, as oil prices climbed and European shares pared losses.

At the closing bell, the Dow Jones Industrial Average gained 227 points, or 1.4 per cent, to 16,379, bouncing back from a loss of as much as 76 points near the opening bell.

Read more at:

<http://www.businessspectator.com.au/news/2016/1/15/markets/wall-street-surges-volatile-trade>

Goldman Sachs in \$5.1bn deal over bond mis-selling

[15 January 2016, *BBC News*] On 15 January, BBC News reported that Goldman Sachs says it has reached a deal with US authorities over charges that it used fraudulent marketing material to sell mortgage bonds before the financial crisis.

The bank agreed to pay \$5.1bn (£3.5bn) in civil penalties and consumer relief. The tentative deal was reached with the US Department of Justice's Financial Fraud Enforcement Task Force.

The task force has been investigating how banks advertised risky financial products before the financial crisis.

Goldman Sachs' chairman and chief executive, Lloyd Blankfein, said in a statement: "We are pleased to have reached an agreement in principle to resolve these matters."

The deal stems from an investigation into Goldman Sachs' securitisation, underwriting and sale of residential mortgage-backed securities (RMBS) from 2005 to 2007.

Read more at:

<http://www.bbc.co.uk/news/business-35319938>

Why China fears are overblown

[15 January 2016, *Business Spectator*] By JAMES LAURENCESON: The capacity of Australia's financial markets to see ghosts lurking in China's economy has reached new heights.

Analysts explain that the main reason \$100 billion has been wiped from the value of local shares since the beginning of the year is that China is depreciating its currency, the renminbi (RMB), faster than expected.

And that must mean Chinese authorities are more worried about a growth slowdown than they have admitted.

This conclusion might be plausible were it not for some basic facts. For a start, consider that China's currency hasn't actually depreciated. Ask Chinese tourists.

Read more at:

<http://www.businessspectator.com.au/article/2016/1/15/china/why-china-fears-are-overblown>

INDIA: Government may increase service tax threshold

[15 January 2016, *Times of India*] By LUBNA KABLY, TNN: MUMBAI: The finance ministry is contemplating several reforms in the indirect tax space, even as the Goods and Services Tax (GST) has been caught in a political tussle.

There is a possibility that the exemption threshold for payment of service tax will be hiked. This will be good news for many small independent service providers, ranging from consultants to interior designers. But the government is also considering a balancing act by lowering the exemption threshold limit for excise.

At present, if the aggregate value of services does not exceed Rs 10 lakh in a financial year, the service tax provider can claim exemption. Under excise laws, small-scale industries enjoy exemption if the goods cleared from their factories during a financial year are valued at Rs 1.5 crore or less. While no final decision has been taken yet, the service tax exemption threshold limit could be hiked from Rs 10 lakh to Rs 25 lakh. "It will be very difficult to reduce the threshold limit under excise at one go to Rs 25 lakh, but there will be some palatable adjustment," said a government source.

[NOTES:

(a) A **crore** (/ˈkrɔːr/; abbreviated cr) is a unit in the Indian numbering system equal to ten million (10,000,000; in scientific notation: 10⁷). It is

widely used in India, Bangladesh, Pakistan, Sri Lanka and Nepal, and is written in these regions as 1,00,00,000 with the local style of digit group separators.

(b) A **lakh** (/ˈlæk/ or /ˈlɑːk/; abbreviated L) is a unit in the Indian numbering system equal to one hundred thousand (100,000; scientific notation: 10^5). In the Indian convention of digit grouping, it is written as 1,00,000.]

Read more at:

<http://timesofindia.indiatimes.com/business/india-business/Govt-may-increase-service-tax-threshold/articleshow/50583772.cms>

INDIA: SEBI asks Mutual Funds to come clean on illegal dividend payments

[15 January 2016, *Times of India*] By Partha Sinha, TNN: MUMBAI: In an unconventional move, market regulator The Securities and Exchange Board of India (SEBI) on Wednesday gave mutual fund houses just 24 hours to confirm if they had ever resorted to "dividend stripping", an illegal way of enriching large investors using smart accounting and tax loopholes.

The Sebi move is likely to put spotlight on at least five or six large asset management companies, which have allegedly resorted to dividend stripping. Industry sources said the government has lost about Rs 25,000 crore in taxes in the last seven-eight years because of dividend stripping by corporates and HNIs. [NOTE: A **crore** (/ˈkrɔːr/; abbreviated cr) is a unit in the Indian numbering system equal to ten million (10,000,000; in scientific notation: 10^7). It is widely used in India, Bangladesh, Pakistan, Sri Lanka and Nepal, and is written in these regions as 1,00,00,000 with the local style of digit group separators.]

Read more at:

<http://timesofindia.indiatimes.com/business/india-business/Sebi-asks-MFs-to-come-clean-on-illegal-dividend-payments/articleshow/50583750.cms>

CENTRAL AMERICA: Daily News 15/01

[15 January 2016, *Central America Data*] Posting on 13 January of Daily News from around the region.

Summaries

• [Guatemala: Maquilas to be Charged Income Tax](#)

In the absence of a law to renew tax incentives, some 1,223 companies in the maquila sector and the free zone will have to pay income tax in 2016.

• [Costa Rica: Treasury Bonds Issued for \\$410 million](#)

On January 14, the Ministry of Finance will turn to the local market to place an issue in colones which matures in September 2033 and has a fixed rate of 8.51%.

• [Guatemala: New Environmental Regulations](#)

In May new rules come into effect for environmental evaluation, control and monitoring of construction projects.

• [Uncertainty in Guatemala Over Oil](#)

The decline in international oil prices is already affecting companies that exploit the resource in the country; meanwhile, contracts awarded in 2014 have not yet been signed.

• [Nicaragua: Sales of Appliances Also Growing](#)

The import of goods for home use grew by 18% in November 2015, thanks to factors such as the drop in fuel prices and the increase in remittances.

• [Minera Panama Could Double Electricity Generation](#)

The company has said it is not ruling out expanding the capacity of power generation at the coal-based plant from 300 MW to 600 MW.

• [Tender: Materials for Power Lines](#)

The Ministry of the Presidency of Panama is putting out to tender the supply, transportation, delivery and installation of materials and equipment for electrical distribution lines in the province of Coclé.

• [Industrial Park Announced in Guatemala for \\$16.5 million](#)

A strategic alliance between Escuintla and the Korean port of Incheon will be possible because of an investment of \$16.5 million, announced the Korean Chamber of Commerce in Guatemala.

MORE CENTRAL AMERICAN NEWS

• [Nicaragua: New Competition for Fine Coffees](#)

• [Honduras: Minimum Wage Increases Between 5.5% and 8%](#)

• [Costa Rica: Fewer Public Works Affects Construction Industry](#)

• [Panama: Two Bids for Sanitation Works](#)

• [Guatemala: Airports Must Not Stop](#)

- [Nicaragua: Scanners to be Installed at Customs Offices](#)
- [Tender: Photovoltaic System and Spare Parts for Hydro Station](#)

Source:

<http://www.centralamericadata.com/en/static/home>

IMF urges Ghana to keep up fiscal reform focus

[15 January 2016, *Public Finance International*] Posted on 14 January: By Emma Rumney: Ghana will have to undertake a wide range of ambitious fiscal and public financial management reforms to keep its economy on the right track, the International Monetary Fund has said.

Speaking after review of the country's performance under a three-year IMF budget support programme, the completion of which also enables the disbursement of a further \$114.6m for Ghana, the fund's executive board said that while implementation of the programme is "broadly satisfactory" there is still some way to go.

"In this regard, it is essential that the government sticks firmly to its policy of strict expenditure controls, by maintaining the wage bill within the budget limits, while controlling discretionary spending and protecting priority spending," Min Zhu, acting chair and deputy managing director of the IMF's executive board said.

"The 2016 budget rightly aims at a stronger consolidation than originally envisaged" as government debt continues to increase, he added. The government had planned to bring the fiscal deficit down by 5.8%, but now it will aim for 5.3%.

The budget also forecasts some extra one-off costs this year related to elections and a nominal wage bill increase that the IMF said in November is expected to be slightly higher than envisaged under the programme.

Read more at:

<http://www.publicfinanceinternational.org/news/2016/01/imf-urges-ghana-keep-fiscal-reform-focus>

Hong Kong To Expand IFC Role In 2016

[15 January 2016, *Tax-News.com*] Posted on 14 January, by Mary Swire, Tax-News.com, Hong Kong: In his 2016 Policy Address, Chief Executive Leung Chun-ying announced a broad range of initiatives to consolidate and expand Hong Kong's role as a major international financial centre.

Read Full Story at:

http://www.tax-news.com/news/Hong_Kong_To_Expand_IFC_Role_In_2016_70175.html

IMF Pushes Carbon Taxes After Paris COP21 Conference

[15 January 2016, *Tax-News.com*] Posted on 14 January, by Mike Godfrey, Tax-News.com, Washington: Governments should prioritize the use of carbon pricing systems, including taxes, in their efforts to reduce carbon emissions, the International Monetary Fund said in a recent report.

Read Full Story at:

http://www.tax-news.com/news/IMF_Pushes_Carbon_Taxes_After_Paris_COP21_Conference_70170.html

Small Car Tax Cut Increases Chinese Sales

[15 January 2016, *Tax-News.com*] Posted on 14 January, by Mary Swire, Tax-News.com, Hong Kong: Immediately following the Chinese Government's decision to halve the tax rate on the purchase of small vehicles from October 1, 2015, the sales volume of such cars showed a nationwide annual increase of 22.5 per cent.

Read Full Story at:

http://www.tax-news.com/news/Small_Car_Tax_Cut_Increases_Chinese_Sales_70174.html

Pacific Alliance Broaden Free Trade Arrangements

[15 January 2016, *Tax-News.com*] Posted on 14 January, by Mike Godfrey, Tax-News.com, Washington: The Chilean Senate on January 5, 2015, approved a protocol to eliminate tariffs on 92 per cent of trade within the Pacific Alliance bloc.

Read Full Story at:

http://www.tax-news.com/news/Pacific_Alliance_Broaden_Free_Trade_Arrangements_70172.html

Indian Banking Industry Pushes For Tax Reforms

[15 January 2016, *Tax-News.com*] Posted on 14 January, by Mary Swire, Tax-News.com, Hong Kong: India's banking and financial sector put forward tax reform ideas at a pre-budget consultation with the nation's Finance Minister on January 12, 2015.

Read Full Story at:

[http://www.tax-news.com/news/Indian Banking Industry Pushes For Tax Reforms 70173.html](http://www.tax-news.com/news/Indian_Banking_Industry_Pushes_For_Tax_Reforms_70173.html)

Australia's FSC Warns Against Further Tax Hikes On Superannuation

[15 January 2016, *Tax-News.com*] Posted on 14 January, by Mary Swire, Tax-News.com, Hong Kong: Australia's Financial Services Council has urged the Government not to add to the tax burden on superannuation savings and to instead focus on how best to deliver better retirement outcomes for lower- and middle-income earners.

Read Full Story at:

[http://www.tax-news.com/news/Australias FSC Warns Against Further Tax Hikes On Superannuation 70176.html](http://www.tax-news.com/news/Australias_FSC_Warns_Against_Further_Tax_Hikes_On_Superannuation_70176.html)

News from Europe

Largemortgageloans launches equity release brand

[15 January 2016, *Mortgage Finance Gazette*] On 13 January, Joanne Atkin writing in Mortgage Finance Gazette reported that Largemortgageloans.com, an intermediary that specialises in sourcing large mortgages, has moved into the equity release market.

The launch of the brand, largeequityrelease.com, is part of the company's strategy to grow its range of products and services.

Largemortgageloans.com has recently helped clients get lifetime mortgages of up to £3.8 million.

Evidence shows that equity release is being used by those who want to clear debts, enjoy a more comfortable retirement, or give their loved ones an early inheritance.

In addition, there are nearly a million homeowners in the UK with interest-only mortgages, and no means of paying off the money they owe.

Read more at:

<http://www.mortgagefinancegazette.com/latest-news/largemortgageloans-launches-equity-release-brand/>

UK: House purchase lending up 18% year-on-year in November

[15 January 2016, *Mortgage Finance Gazette*] On 14 January, Joanne Atkin writing in Mortgage Finance Gazette reported that home-owner house purchase lending totalled £10.7bn in November, down 9% on October but up 18% on November 2014.

First-time buyers borrowed £4.2bn for home-owner house purchase, down 9% on October but up 14% on November last year. This totalled 27,900 loans, down 8% month-on-month but up 10% year-on-year.

Home movers took out 32,300 loans, down 10% month-on-month and up 9% compared to November 2014. In total, this was £6.5bn

borrowed, down 10% on October but up 20% year-on-year.

Home-owner remortgage activity was down 9% by volume and 14% by value compared to October. Compared to November 2014, remortgage lending was up 24% by volume and up 36% by value.

Gross buy-to-let saw month-on-month decreases, down 6% by volume and 8% by value, but the substantial growth year-on-year continued.

Read more at:

<http://www.cml.org.uk/news/press-releases/november-press-release/>

No Need For German Migrant Tax, Figures Suggest

[15 January 2016, *Tax-News.com*] Posted on 14 January, by Ulrika Lomas, Tax-News.com, Brussels: Germany's budget surplus for 2015 was larger than expected and the German Government has again indicated that it will not need to raise tax to meet higher immigration-related costs.

Read Full Story at:

http://www.tax-news.com/news/No_Need_For_German_Migrant_Tax_Figures_Suggest_70171.html

Swiss Government Recaps 2015 Tax Policy Breakthroughs

[15 January 2016, *Tax-News.com*] Posted on 14 January, by Ulrika Lomas, Tax-News.com, Brussels: The Swiss Federal Council has released a report on the country's foreign policy achievements in 2015, which reflects on the tax and free trade agreements reached last year.

Read Full Story at:

http://www.tax-news.com/news/Swiss_Govt_Recaps_2015_Tax_Policy_Breakthroughs_70177.html

Dutch EU Presidency To Prioritize BEPS Action

[15 January 2016, *Tax-News.com*] Posted on 14 January, by Lorys Charalambous, Tax-News.com, Cyprus: The Netherlands will prioritize action against corporate tax avoidance during its Presidency of the Council of the European Union, from now until the end of June.

Read Full Story at:

http://www.tax-news.com/news/Dutch_EU_Presidency_To_Prioritize_BEPS_Action_70178.html

'Modest UK Carbon Tax Would Have Little Impact On Fuel Bills'

[15 January 2016, *Tax-News.com*] Posted on 14 January, by Robert Lee, Tax-News.com, London: A "modest" UK tax on greenhouse gas emissions would have little impact on consumer prices, according to a new study published by two climate research centres.

The report was published by the Grantham Research Institute on Climate Change and the Environment and the ESRC Centre for Climate Change Economics and Policy.

It argued that the application of a carbon tax of GBP20 (USD29) per ton of carbon dioxide-equivalent to all fuels could increase UK consumer prices by up to 0.9 percent, assuming all costs were passed along supply chains fully. However, the authors said that their estimates are at the "upper bounds" of the anticipated costs. Instead, they expect that costs would likely be reduced through behavioural change and business innovation, and because the revenue raised would be "recycled" back into the economy.

In addition, the paper stated that only a small number of industries – including the oil refinement, coal, iron, and cement sectors – would face production cost increases that could put them under pressure from competition abroad. Together these sectors account for around two per cent of UK gross domestic product.

Read Full Story at:

http://www.tax-news.com/news/Modest_UK_Carbon_Tax_Would_Have_Little_Impact_On_Fuel_Bills_70179.html

UK: Mandate fraud: charities targeted by increasingly sophisticated scams

[15 January 2016, *Charity Commission*] The Charity Commission, the independent regulator of charities in England and Wales, is urging charities to remain vigilant to the continuing threat of

mandate fraud and the changing tactics that fraudsters are using to target charities.

Mandate fraud occurs when the fraudster tricks a victim into changing bank account details, in order to divert legitimate payments intended for a genuine organisation (eg a charity supplier) to bank accounts instead controlled by fraudsters. This often involves the fraudster impersonating an organisation representative, either by email, direct mail or telephone communication. The fraudster may also use headed paper and/or the company logo to lend credibility and to gain the charity's trust.

The threat of mandate fraud is an on-going issue for charities, with cases continuing to be reported to Action Fraud from across the sector. We first brought this issue to the attention of charities in 2010.

In recent months, the commission has become aware of mandate fraud attempts where the fraudster has been able to use the email address of a regular contact at the legitimate organisation to deceive charities into changing change bank details.

The commission recommends that trustees and charity professionals spend a few moments familiarising themselves with [the Metropolitan Police's mandate fraud advice](#) and ensure that their charity has robust authorisation and monitoring procedures in place for changing bank details and managing payments. The advice is clear - any request to change bank account details is an unusual occurrence and should be treated with suspicion.

As a minimum, charities should:

- remain vigilant to the continuing risk of mandate fraud and raise awareness amongst those staff and volunteers with responsibility for charity finances - [download the campaign posters produced by the Metropolitan Police](#);
- be suspicious of any change of bank detail requests until independently verified;
- check and verify all requests for change of bank details using contact information held separately by the charity;
- never rely solely on contact information provided in any form of external

communication that requests a change of bank details;

- check that a sample of payments has been received by the legitimate organisation after the change of bank details has been actioned;
- do not rely solely on the organisation to inform your charity that legitimate payments have not been received - by then it may be too late to recover the money.

Read more at:

<https://www.gov.uk/government/news/mandate-fraud-charities-targeted-by-increasingly-sophisticated-scams>

UK: PRA proposes new rule on buy-outs of variable remuneration by new employers

[15 January 2016, *Corporate Law and Governance Blogspot*] Posted 13 January: By Robert Goddard, Senior Lecturer in Law, Aston Law, Aston Business School, Birmingham, UK: The [Prudential Regulation Authority](#) has published a consultation paper in which it set out proposals for a new rule, to be included in the [Remuneration Part](#) of the [PRA Rulebook](#), covering the practice whereby firms recruiting new employees "buy-out" deferred bonus awards that were cancelled by the employees' previous employer.

The new rule will apply (subject to certain proportionality exceptions) to all material risk takers at PRA-regulated banks, building societies and designated investment firms. It is based on a model requiring a contract between the employee and new employer, providing for the possibility of malus and clawback to be applied to bought-out awards, based on a determination by the old employer.

A copy of the consultation paper is available [here](#) (pdf).

[Explanation: The term bonus-malus (Latin for good-bad) is used for a number of business arrangements which alternately reward (bonus) or penalise (malus)]

Source:

<http://corporatelawandgovernance.blogspot.co.uk/2016/01/uk-pra-proposes-new-rule-on-buy-outs-of.html>

Auto investors on wild ride as car shares tank

[15 January 2016, *CITY A.M.*] On 14 January, Catherine Neilan writing on CITY A.M. reported that auto investors were taken on a wild ride, as Renault's share price tanked more than 21 per cent, dragging the rest of the industry with it, while trading in Fiat Chrysler was suspended amid claims it was lying about sales.

Renault moved to calm investors spooked by reports that it was facing a Volkswagen-style probe into its emissions this afternoon, saying four of its cars had already passed an industry-wide inspection.

In total, 25 Renault vehicles are being tested by independent body the Royal Commission, which was set up in the wake of the VW scandal, out of 100. Renault said this reflected its market share within France.

Despite Renault's efforts to calm jitters, investors were spooked, with the share price still down 10 per cent by 3pm French time.

However, this was a significant recovery on earlier in the day, having plummeted as much as 21 per cent, wiping off €5bn from the car company's value, and bringing the rest of the sector down with it.

Peugeot's share price fell by 8.8 per cent, while several other firms including Daimler and Volkswagen also slid.

Read more at:

<http://www.cityam.com/232367/renaults-share-price-is-tanking-on-emissions-report>

Corporate governance standards among UK companies stay high,

[15 January 2016, *CITY A.M.*] On 14 January, Hayley Kirton writing on CITY A.M. reported that The overall quality of corporate governance among UK companies remains high, as the regulator vows not to make any major changes to its code for the next three years.

According to a report published today by the Financial Reporting Council (FRC), 90 per cent of FTSE 350 companies are complying with all but one or two of the provisions in its UK Corporate Governance Code.

Read more at:

<http://www.cityam.com/232383/corporate-governance-standards-among-uk-companies-stay-high-as-regulator-says-its-code-will-not-be-substantially-amended-for-the-next-three-years>

UK: BoE cuts growth forecasts but holds interest rates

[15 January 2016, *CITY A.M.*] On 14 January, Jessica Morris writing on CITY A.M. reported that The Bank of England's rate-setting committee held interest rates at historic lows, while it cut forecasts for economic growth and inflation.

The monetary policy committee (MPC) voted 8-1 in favour of keeping the benchmark interest rate at 0.5 per cent, with lone hawk Ian McCafferty staying in favour of a rate rise despite a darkening global backdrop.

"Recent volatility in financial markets has underlined the downside risks to global growth, primarily emanating from emerging markets," the minutes said.

The Bank lowered its forecasts for UK economic growth last quarter and this quarter by 0.1 percentage points to 0.5 per cent.

Earlier this week, economic data showed the manufacturing sector had shrunk by 1.2 per cent annually. Similarly, a separate release revealed that the economy was growing more slowly than was previously thought.

Read more at:

<http://www.cityam.com/232370/boe-cuts-economic-growth-forecasts-but-as-policymakers-vote-8-1-to-hold-interest-rates>

First release for Q3 2015 - Business investment rate

[15 January 2016, *European Commission - EUROSTAT*] Brussels, 14 January 2016: In the third quarter of 2015, the business investment rate was 22.1% in the euro area, compared with 22.4% in the previous quarter.

The business profit share in the euro area was 39.7% in the third quarter of 2015, compared with 39.8% in the second quarter of 2015.

[Full text available on EUROSTAT website](#)

Source:

http://europa.eu/rapid/press-release_STAT-16-74_en.htm

First release for Q3 2015 - Household saving rate

[15 January 2016, *European Commission - EUROSTAT*] Brussels, 14 January 2016: The household saving rate in the euro area was 12.8% in the third quarter of 2015, compared with 12.7% in the second quarter of 2015.

The household investment rate in the euro area was 8.3% in the third quarter of 2015, stable compared with the previous quarter.

[Full text available on EUROSTAT website](#)

Source:

http://europa.eu/rapid/press-release_STAT-16-73_en.htm

First-ever EU-wide cyber-security rules backed by Internal Market Committee

[15 January 2016, *European Parliament News*] Posted on 14 January: Firms supplying essential services, e.g. for energy, transport, banking and health, or digital ones, such as search engines and cloud computing, will have to take action to improve their ability to withstand cyber-attacks under new rules approved by Internal Market MEPs on Thursday. These rules, informally agreed by MEPs and Council negotiators on 7 December, were approved by 34 votes to 2. They now need to be endorsed by the Council and the full Parliament.

The new directive for a high common level of security of network and information systems (NIS) across the Union aims to end the current fragmentation of 28 national cybersecurity systems, by listing sectors in which critical service companies will have to ensure that they are robust enough to resist cyber-attacks. These will also be required to report serious security breaches to national authorities.

"Parliament has pushed hard for a harmonised identification of critical operators in energy, transport, health or banking fields, which will have to fulfil security measures and notify significant cyber incidents. Member states will also have to cooperate more on cybersecurity – which is even more important in light of the current security situation in Europe", said rapporteur Andreas Schwab (EPP, DE), after a

deal was reached last month on the NIS directive.

EU countries to list "essential service" firms

EU member states will have to identify concrete "operators of essential services" in these fields, using set criteria: whether the service is critical for society and the economy, whether it depends on network and information systems and whether an incident could have significant disruptive effects on service provision or public safety. Some digital service providers, such as online marketplaces (e.g. eBay, Amazon), search engines (e.g. Google) and clouds, will also have to take measures to ensure the safety of their infrastructure and will have to report major incidents to national authorities. Micro and small digital companies will be excluded from the scope of the directive.

EU-wide cooperation mechanisms

To ensure a high level of security across the EU and to build trust and confidence among EU member states, the draft rules provide for a strategic "cooperation group" to exchange information and best practices, draw up guidelines and assist member states in cybersecurity capacity-building. Each EU country will be required to adopt a national NIS strategy.

Each EU member state will also have to set up a network of Computer Security Incident Response Teams (CSIRTs), to handle incidents and risks, discuss cross-border security issues and identify coordinated responses. The European Network and Information Security Agency (ENISA) will also play a key role in implementing the directive, particularly in relation to cooperation.

Read more at:

<http://www.europarl.europa.eu/news/en/news-room/20160114IPR09801/First-ever-EU-wide-cyber-security-rules-backed-by-Internal-Market-Committee>

EIB Group lends record EUR 84.5 billion in 2015

[15 January 2016, *European Investment Bank*] Release date: 14 January 2016, Reference: 2016-004-EN: The European Investment Bank Group, the world's largest multilateral financial institution, has announced record lending in 2015, totalling €84.5 billion, that will support

investment in crucial infrastructure and improve access to finance across Europe and around the world. This included record support for investment by SMEs and unprecedented lending for innovation and climate related projects by the EIB Group.

During 2015 the EIB Group – the European Investment Bank and the European Investment Fund – provided €7.5 billion of new financing backed by the Investment Plan for Europe guarantee from the EU budget. This financing supported total investment worth more than €50 billion, or approximately 16% of the final target of €315 billion to be triggered by the Investment Plan for Europe over three years.

In September the EIB launched the European Investment Advisory Hub, another pillar of the Investment Plan for Europe. The Hub helps projects attract funding from all available sources. In 2015 the Hub managed requests for advice from across the EU.

Read the full release at:

<http://www.eib.org/infocentre/press/releases/all/2016/2016-004-eib-group-lends-record-eur-84-5-billion-in-2015-and-mobilises-over-eur-50-billion-investment-under-investment-plan-for-europe.htm>

Migration – Commissioner Admits To Parliament That EU Policy Is Failing

[15 January 2016, *Politico.eu*] The EU's refugee policy is a failure and the mass sexual assaults in Cologne were a "nail in the coffin," senior officials said Thursday.

Dimitris Avramopoulos, the top EU official in charge of migration, said a plan to relocate 160,000 refugees across Europe "does not work." He added that if member countries "act on the pressure of the domestic agenda, it will fail."

Jacopo Barigazzi reports:

<http://politi.co/1SR2pJp>

UK: Think tank says cities need to recruit geeks

[15 January 2016, *CITY A.M.*] On 15 January, Lauren Fedor writing in CITY A.M. reported that an influential think tank wants to require cities with devolved powers to recruit "geeks" to oversee data analytics programmes, as another leading research group says successful devolution

will require more than just new infrastructure projects.

In a new paper out today, Policy Exchange said that elected mayors should have to set up data analytics offices comprising of "small, expert teams tasked with using public and privately held data to create smarter and more productive cities".

The think tank said most cities "have vast quantities of data that if accessed and used effectively could help improve public services, optimise transport routes, support the growth of small businesses and even prevent cycling accidents".

Read more at:

<http://www.cityam.com/232401/northern-powerhouse-policy-exchange-says-devolved-cities-need-geeks-overseeing-data-analytics-offices>

EU referendum: Osborne slammed for lack of contingency plans for Brexit

[15 January 2016, *CITY A.M.*] On 15 January, Lauren Fedor writing in *CITY A.M.* reported that the UK government has come under fire for not making contingency plans for a possible Brexit.

The criticism came after chancellor George Osborne told BBC 2 Newsnight that the Treasury is not planning for Brexit. Instead of a plan, he said his department is "100 per cent now focused on achieving the renegotiation... That is where the resources of the Treasury are deployed".

Prime Minister David Cameron had said earlier he was not taking steps to prepare departments for Brexit.

Read more at:

<http://www.cityam.com/232436/eu-referendum-osborne-slammed-for-lack-of-contingency-plans-for-brexit>

UK: Financial services industry loses confidence in the UK's economic outlook

[15 January 2016, *CITY A.M.*] On 14 January, Hayley Kirton writing in *CITY A.M.* reported that the financial services industry's level of confidence in the UK's economic outlook has dropped off.

In a survey released by the Chartered Institute for Securities & Investment (CISI), 33 per cent said they felt more optimistic about the UK's outlook compared to six months ago while 27 per cent said they felt more negative, which is a difference of just six percentage points in favour of being optimistic.

By comparison, when asked the same question six months ago, 47 per cent said they felt more positive while only 16 per cent said they felt more negative, which is a difference of 31 percentage points in favour of being optimistic.

When asked for their reasoning behind their outlook, survey respondents pointed to aspects such as debt, the potential for a Brexit and austerity.

One person commented: "Wages are low, taxes are high and there is more debt. And now there is talk of a rise in interest rates. We are very likely to go back into recession."

Meanwhile, another simply remarked: "We are due a recession; it is time."

Read more at:

<http://www.cityam.com/232392/financial-services-industry-loses-confidence-in-the-uks-economic-outlook-as-brexit-debt-and-austerity-weigh-heavily-on-peoples-minds>

UK: Output in the Construction Industry - November 2015

[15 January 2016, *Office for National Statistics (ONS)*] On 15 January, ONS published the latest data on Output in the Construction Industry - November 2015.

Main points

- In November 2015, output in the construction industry was estimated to have decreased by 0.5% compared with October 2015. All new work was the largest contributor to the fall, decreasing by 0.7%, with repair and maintenance (R&M) falling 0.2%
- Within new work, there were increases in public other (2.3%), private industrial (1.7%) and total housing (0.9%). However, these were offset by decreases in infrastructure and private commercial work of 4.3% and 1.5% respectively.

- Repair and maintenance (R&M) decreased by 0.2% with decreases in both components of housing repair and maintenance; private falling by 1.3% and public by 0.7%. Non-housing repair and maintenance increased by 0.8%.
- Compared with November 2014, output in the construction industry decreased by 1.1%. All new work increased by 1.3% while there was a fall of 5.1% in repair and maintenance. The main upwards contribution to all new work came from infrastructure which increased by 11.7%.
- Comparing the 3 months, September 2015 to November 2015, with the previous 3 months, June 2015 to August 2015, construction output fell by 1.4%. All new work and all repair and maintenance decreased by 1.4% and 1.2% respectively.
- When comparing the 3 months, September 2015 to November 2015, with the same 3 months a year ago, construction output was estimated to have decreased by 0.1%. All new work increased by 2.4% while repair and maintenance decreased by 4.3%.
- The only period open for revision is October 2015, this estimate is unchanged. More information on revisions can be found in the background notes.

Read more at:

<http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/november-2015/stb.html>

EMPLOYMENT

Case Management Orders

[15 January 2016, Daniel Barnett, employment law barrister] With thanks to [Andrew Smith](#) of Matrix Chambers for preparing this case summary: When may an Employment Tribunal vary a case management order?

Rarely, holds the EAT in [Serco Ltd v Wells](#).

An Employment Judge had made an order listing a preliminary hearing (PH) to consider the claimant's length of service. As the proceedings continued, an agreed list of 96 issues was drawn up for use at the full hearing. A different Judge then considered whether holding the PH was "realistic" given the fact that a 10-day full hearing had already been listed, and revoked the order.

The employer appealed to the EAT. The focus of the appeal was on the meaning of rule 29 of the Employment Tribunal Rules 2013, which provides that a tribunal may "vary, suspend or set aside an earlier case management order where that is necessary in the interests of justice".

In another accessible judgment providing a comprehensive review of the authorities (in this case, those arising from the current and past employment tribunal rules as well as from the Civil Procedure Rules 1998), HHJ Hand QC took a restrictive view of the Tribunal's powers. Put simply, a case management order will not be susceptible to variation or revocation unless "there has been a material change of circumstances since the order was made", "where the order has been based on either a misstatement", or in "rare" circumstances which are "out of the ordinary".

Source:

<http://www.danielbarnett.co.uk>

MARKETING AND BUSINESS PROMOTION

Marketing ideas from Marketing Profs 15/01

[15 January 2016, Marketing Profs] More marketing ideas and tips have been published by Marketing Profs:

In this issue:

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- **Quick Take:** [The 4 Critical Steps You Need to Master Content Science](#)
- **PRO - Today's PRO Seminar:** [Algorhythm—The Pulse and Future of Brands](#)
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