Regulation (EU) 2019/1796 of the European Parliament and of the Council of 24 October 2019 amending Regulation (EU) No 1309/2013 on the European Globalisation Adjustment Fund (2014-2020)

REGULATION (EU) 2019/1796 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 24 October 2019

amending Regulation (EU) No 1309/2013 on the European Globalisation Adjustment Fund (2014-2020)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the third paragraph of Article 175 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[(1)],

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure[(2)],

Whereas:

(1) Regulation (EC) No 1927/2006 of the European Parliament and of the Council[(3)] established the European Globalisation Adjustment Fund (EGF) for the duration of the multiannual financial framework, from 1 January 2007 to 31 December 2013. The EGF was established to enable the Union to show solidarity towards workers who lost their jobs as a result of major structural changes in world trade patterns due to globalisation.

(2) The scope of the EGF was broadened in 2009 by Regulation (EC) No 546/2009 of the European Parliament and of the Council[(4)] as part of the European Economic Recovery Plan to include support to workers made redundant as a direct result of the global financial and economic crisis.

(3) Regulation (EU) No 1309/2013 of the European Parliament and of the Council[(5)] established the EGF for the duration of the multiannual financial framework, from 1 January 2014 to 31 December 2020. It also extended the scope of the EGF to cover not only redundancies resulting from major structural changes in world trade patterns due to globalisation and redundancies resulting from a serious economic disruption caused by a continuation of the global financial and economic crisis addressed in Regulation (EC) No 546/2009, but also redundancies resulting from any new global financial and economic crisis. Furthermore, Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council[(6)] amended Regulation (EU) No 1309/2013 to introduce, inter alia, rules allowing the EGF to exceptionally cover collective

applications involving small and medium-sized enterprises (SMEs) located in one region and operating in different economic sectors defined at NACE Revision 2 division level, where the applicant Member State demonstrates that such SMEs are the main or only type of business in that region.

(4) On 29 March 2017, the United Kingdom of Great Britain and Northern Ireland (the 'United Kingdom') submitted the notification of its intention to withdraw from the Union pursuant to Article 50 of the Treaty on European Union (TEU). The Treaties will cease to apply to the United Kingdom from the date of entry into force of a withdrawal agreement or, failing that, two years after that notification, unless the European Council, in agreement with the United Kingdom, unanimously decides to extend that period.

(5) After agreeing a first extension on 22 March 2019, the European Council adopted Decision (EU) 2019/584[(7)] on 11 April 2019, in which it agreed, following a further request by the United Kingdom, to extend the period provided for in Article 50(3) TEU until 31 October 2019. Unless a withdrawal agreement concluded with the United Kingdom has entered into force by the date following that on which the Treaties cease to apply to the United Kingdom, or the European Council, in agreement with the United Kingdom, unanimously decides to extend the period provided for in Article 50(3) TEU for a third time, the period provided for in Article 50(3) TEU will end on 31 October 2019.

(6) The withdrawal of the United Kingdom from the Union without a withdrawal agreement is likely to negatively affect some industries and services by leading to people working in those sectors being made redundant. This Regulation should amend Regulation (EU) No 1309/2013 in order to specify that such redundancies fall within the scope of the EGF. This would ensure that the EGF can respond effectively by offering assistance to workers made redundant in areas, sectors, territories or labour markets subject to serious economic disruption due to the withdrawal of the United Kingdom from the Union without a withdrawal agreement.

(7) In view of the urgency entailed by the withdrawal of the United Kingdom from the Union, it was considered to be appropriate to provide for an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the TEU, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community.

(8) This Regulation should enter into force as a matter of urgency on the day following that of its publication in the *Official Journal of the European Union* and should apply from the day following that on which the Treaties cease to apply to the United Kingdom. However, it should not apply if a withdrawal agreement concluded with the United Kingdom in accordance with Article 50(2) TEU has entered into force by that date,

HAVE ADOPTED THIS REGULATION: