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THE 2018 COALITION AGREEMENT – EUROPEAN LAW: EU REFORM AND BREXIT

Under the heading “New Horizons for Europe” the coalition agreement describes the now-familiar challenges such as refugees and migrants, growth and employment, youth unemployment, shifts in the global balance of power, etc. Based on the motto “the EU needs to pull together if it is to have a future” the coalition agreement maps out a very general and therefore hardly controversial course (a Europe of democracy and solidarity, a Europe of opportunity and fairness, etc.).

The coalition partners underline their commitment to combatting tax dumping, and to fairer taxation for large corporate groups, especially internet-based ones. All this is in line with the German government’s course to date.

It is interesting to note that the “GroKo” (große Koalition / grand coalition) wants to introduce ring-fencing for budgetary resources for economic stabilisation, social convergence, and support for structural reforms in the Eurozone. It also sees its way to “Germany paying higher contributions towards the EU budget”, providing that the Stability and Growth Pact continues to serve as the compass in the future. This move by the German government is evidently in (positive) response to France’s plans for a reform of the EU.

Brexit remains but a side note. The coalition partners-to-be express their regret at the United Kingdom’s departure from the European Union, but Brexit’s economic and legal implications are hardly addressed at all and, where they are, only in a very abstract fashion. First and foremost the agreement emphasises the aim of enhancing the attractiveness of Germany as an (alternative) base for financial institutions (bailing out of the UK). For instance, it announces reforms to the German Banking Remuneration Regulation and the intention to continue “reviewing and reforming” the way in which the financial markets are regulated. The generality of all this comes as no surprise, for the exit negotiations are being conducted in Brussels. Ultimately, it appears to be a matter of not letting Brexit sew division among the member states (a negotiating tactic of the UK’s, and one that it has made no bones about).

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LAWYERS

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