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NOTE

from:	General Secretariat of the Council
to:	Delegations
Subject:	Summary record of the meeting of the European Parliament Committee on Economic and Monetary Affairs (ECON) , held in Brussels on 9 and 10 July 2012

The meeting was chaired by Ms Bowles (ALDE, UK).

1. Chair's announcements

Ms Bowles (ALDE, UK) announced that two trilogue meetings on the Capital Requirements Directive and Capital Requirements Regulation (CRDIV) had taken place during the previous week (2 to 6 July) during which financing for SMEs, liquidity requirements and leverage ratios had been discussed, and that two more meetings were scheduled for the current week. She also mentioned that a trilogue meeting on the Omnibus 2 Directive had been concluded, stressing that despite some progress on some issues, no agreement had been reached with the Council on long-term guarantees; another trilogue was scheduled for 12 July.

Ms Bowles also referred to the first trilogue meeting on Credit Rating Agencies (CRA) which took place on 5 July, during which matters such as over-reliance, rotation and conflict were discussed, adding that the following trilogue would take place in September in order to discuss sovereign debt issues.

2. Monetary dialogue with Mario Draghi, President of the European Central Bank

ECON/7/00032

In his initial address, Mr Draghi delivered the speech in Annex I, in which he outlined and explained the latest decisions taken by the European Central Bank (ECB); he also addressed the measures taken around the world in response to the global financial crisis, commented on the ECB's role in the adjustment programmes in euro area Member States (MS), mentioned positive developments in Ireland, Portugal, Spain and Italy, and shared some thoughts on the longer term vision for the European Monetary Union (EMU) and on ways to ensure its stability and credibility.

In subsequent comments, and in response to questions from ECON members, President Draghi reiterated to Mr Gauzès (EPP, FR) the need to fully implement agreed legislation at European level and structural reforms at national level; and to Mr Feio (EPP, PT) the need to establish a clear long-term vision for the EMU based on the four building blocks listed in the report submitted by the President of the European Council at the last summit, specifically a financial market union, a fiscal union, an economic union, and a political union. He told Mr Tehro (EFD, FI) that MS could not contradict conclusions from European Council summits.

On the banking union and the new envisaged ECB supervisory role, Mr Draghi pointed out to Mr Klinz (ALDE, DE), Mr Lamberts (Greens/EFA, BE) and Mr Eickhout (Greens/EFA, NL) the need to deliver as much as possible with the current treaties; to guarantee the ECB's independence; to prevent a conflict of interest between current (monetary policies) and new (supervisory) obligations; to underpin and complement the new supervisory powers of the ECB with those of national supervisors; and to ensure democratic accountability and legitimacy. He told Ms Swinburne (ECR, UK) that a banking union should weaken neither the single market nor the euro.

Mr Draghi listed to Mr Bullmann (S&D, DE) the measures adopted to introduce greater flexibility in the European Financial Stability Facility (EFSF) and the European Stability Mechanism (ESM), designed to make them more effective and more usable while retaining conditionality. He also supported the direct recapitalisation of banks once supervision was in place at the euro area level, as well as a break in the link between sovereign debt and banks through the ESM.

In response to Mr Langen (EPP, DE) and Mr Simon (S&D, DE), Mr Draghi insisted on the need to respect a sequential approach which should deal first with supervision, and then with 'mutualisation' by focusing on the creation of both a European resolution fund and a European deposit guarantee scheme and addressing its main features (size and nature). He also suggested to Ms Lulling (EPP, LU) the use of part of the proceeds of a Financial Transaction Tax (FTT) to finance the European resolution fund. He explained to Ms Bowles (ALDE, UK) and to Mr Tremosa i Balcells (ALDE, ES) that the ECB could not dictate policies nor impose rules, (including accountability requirements), on banks using the Long term Refinancing Operations (LTROS). He pointed out to Ms Matias (GUE/NGL, PT) that the LTROS had been created to ensure liquidity and to enable banks to comply with funding requirements.

He disagreed with allegations of lack of transparency and democratic legitimacy of the ECB, pointing to the continuing dialogue between the European Parliament and the ECB. He also explained to Mr Tremosa i Balcells that the minutes of the ECB meetings were not disclosed to ensure the independence of the governors of national central banks.

3. Exchange of views with Mr Michel Barnier, Commissioner for the Internal Market and Services

ECON/7/00024

In his introductory speech, Mr Barnier read the speech in Annex II in which he made reference to the latest European Council conclusions and the road map of 4 building blocks, and in which he addressed the necessary steps towards a financial and banking union and some of the ongoing legislative proposals such as CRDIV, MAR, Omnibus II, Solvency II, and MiFID to support these objectives including the creation of a single rule book.

In the subsequent exchange of views, Mr Barnier told Mr Gauzès (EPP, FR) that some regulations needed to be reconstructed in a smarter way to ensure enhanced transparency and answerability and to enable the financial and banking sectors to recover and again support the real economy.

He mentioned to Ms Ferreira (S&D, PT) his preference within the scope of a banking union for a proportional system of direct supervision for all banks, possibly decentralised at national level.

He agreed with Ms Ferreira that banks and not taxpayers ought to contribute to the financing of a resolution fund for orderly bank bankruptcies and differentiated this process from the capitalisation of banks which ought to be accomplished via the European Stability Mechanism (ESM). He stated to Ms Bowles (ALDE, UK) his concern regarding the international consistency and convergence of accounting rules, hoping for a formal decision in the near future. He agreed it was necessary to find the right balance between the envisaged new supervisory role of the European Central Bank (ECB), its relationship with banks, and democratic accountability, promising to work closely with President Draghi. He added to Ms Lulling (EPP, LU) and Mr Zalba Bidegain (EPP, ES) that the modalities on enhanced banking supervision were still being considered, that the credibility of the ECB had to be maintained, and that MS remaining outside the banking union and enhanced integrated supervision should continue under the remit of the European Banking Authority (EBA). Furthermore he told Mr Hökmark (EPP, SE) that the European Council had decided to give the ECB a supervisory role since it had to go hand-in-hand with collective banking support through the European Stability Mechanism (ESM), stressing nevertheless the need for coordination between the ECB and the EBA and for a common text.

He pointed out to Ms McCarthy (S&D, UK), the rapporteur on insider dealing and market manipulation, that legislators and regulators ought to be given the right resources to investigate and sanction activities, including criminal sanctions. He mentioned the need to guarantee that the ongoing legislative proposal included matters relating to the indexes and reference indexes and the issue of whether these, including the setting-up and calculation methods, should be made public.

He favoured cooperation between national and European authorities to maximise the benefits of a capital's single market which in his opinion would entail common rules. He explained to Mr Lamberts (Greens/EFA, BE) that mixed insurance and banking groups required appropriate integrated supervision and promised to work closely with the ECB to establish a suitable framework which would respect the treaties.

Mr Barnier assured Ms Swinburne (ECR, UK) that the ongoing negotiations on the Securities Law Directive and Central Securities Depositories (CSDs) legislation, being designed to facilitate a single market for settlements and post-trade services in the European Union, should be concluded in 2013.

Regarding deposit guarantee schemes, he mentioned to Mr Simons (S&D, DE) the need to prevent and anticipate crises in order to protect taxpayers and savings. He called for more resolution and ambition on the part of the Council. Finally he agreed with calls by Ms Bozkurt (S&D, NL), rapporteur for the opinion of the Committee on Civil Liberties, Justice and Home Affairs (LIBE) on insider dealing and market manipulation, to harmonise sanctions in order to ensure a certain degree of convergence between MS, underlining the adequateness of the Commission's current proposal but leaving the door open for further enhancement of administrative, financial and penal sanctions.

4. European Statistics

ECON/7/09349 2012/0084(COD)
Rapporteur: Mr Edward Scicluna (S&D)
First exchange of views

In his initial address, Mr Scicluna (S&D, MT) underlined the danger in using inadequate statistics which lacked quality and reliability, and mentioned the recent Libor scandal which affected the credibility of the banking sector. He explained that the report attempted to underline commitments to ensure that Member States' (MS) governments were aware of their role and responsibility for ensuring the credibility of official statistics and for respecting the independence of national statistical institutes, and the need for transparent recruitment and dismissal processes based solely on professional criteria. He noted that the Commission proposal called for the revision of the current basic legal framework for European statistics in order to safeguard credibility, and in particular the professional independence of national statistical authorities including their heads, who in his opinion should be able to decide on the processes and methods to be used, and refrain from seeking or following instructions from their respective governments. He called for the establishment of transparent and legally binding rules for the appointment, transfer and dismissal of heads of national statistical institutes, as in the case of central banks, and for the publication of yearly reports on statistical activities and the financial situation of the national statistical authorities.

He underlined the existence of a European statistical code of practice created in 2009 which, under the new proposal, should be signed by the governments of all MS and countersigned by the Commission in order to ensure commitment.

Mr Scicluna mentioned the new Article 17a on the access to use and integrate administrative records and to establish a new legal framework for more extensive use of administrative data sources for the production of European statistics, as well as an amendment to Article 6 to secure the independence of Eurostat at union level, adding that such measures were meant to simplify and improve coordination and collaboration, while ensuring statistical quality and reliability without requiring additional resources on the statistical budget.

In the subsequent exchange of views, Ms Kratsa-Tsagaropoulou (EPP, EL) informed the committee that her group supported the rapporteur's proposals to secure the independence of statistical authorities and to ensure the production of credible data and its comparability among MS. She pointed out the need to ensure a functional and effective system of financial control to guarantee comparable and reliable data upon which economic cohesion and coordination of economic and financial policies ought to be based.

Ms in't Veld (ALDE, NL) asked if similar standards proposed for national statistical authorities would apply for the appointment of the head of Eurostat, and if it would not be preferable to envisage binding quality standards to ensure MS adherence to the rules. She also requested further clarification on calls to make all administrative data accessible.

Mr Lamberts (Greens/EFA, BE) supported the Commission proposal as well. He favoured the operational independence of statistical offices but opposed self-regulation, suggesting instead that weight should be given to both European and national legislators when determining statistical methodology. He recommended having simplified and binding national codes of practice, understandable to ordinary citizens, monitored and enforced from above. He also proposed that the exchange of best practices should be fostered and a peer review system between national statistical offices considered, and that there should be a focus on the exchange of data between European and national statistical offices.

Ms Ford (ECR, UK) supported demands for increased transparency and clearer and more independent and high quality information free of political meddling, and free of additional costs for society. She also shared Ms in't Veld's concerns on calls for access to all administrative data which in her opinion should always respect the boundaries of personal information, and on the use of delegated acts by the Commission.

Mr Chountis (GUE/NGL, EL) raised concerns regarding the reliability of data. He noted that objective data depended on political will.

He proposed focusing on criminal sanctions, and explained that he would be submitting amendments regarding the monitoring of statistical authorities and the criteria used for the appointment and accountability of the director of Eurostat. He also expressed his willingness to scrutinise the issue of who would be held responsible for any wrongdoing by Eurostat.

The deputy director of Eurostat considered the Commission proposal a targeted revision, which was justified by recent events and lay within the limits of subsidiarity. She explained that the standards used for national statistical bodies would also apply to the director general of Eurostat, and that the Commission was currently preparing a revised decision on the role of Eurostat which would fully align practice with the current draft proposal. She pointed out that the envisaged new instrument and its fulfilment would be monitored and therefore should ensure proper enforcement. She noted that Eurostat's interest in administrative records was limited to quantitative data in the context of burden and cost reduction in order to make full use of existing information. She underlined the importance of having a consensus among key players on concepts and methodology, and expressed Eurostat's willingness to have a debate at the beginning of the process, stressing nevertheless that subsequently it should have full independence when implementing the agreed methodology. She mentioned that the code of conduct should be perceived as an instrument setting minimum guidelines and paving the way for more ambitious goals which could not therefore be totally legally binding (only the minimum requirements). She concluded by stating that the Commission counted on the European Parliament's active role to preserve the level of ambition of the proposal.

Ms Bowles (ALDE, UK) underscored the different positions among MS in current negotiations (trilogues), and the concessions obtained by the European Parliament during the negotiations of the 'six-pack' to have a first reference on professional independence of statisticians which should be perceived as an incentive for further progress.

Consideration of draft report: 26 September 2012. Deadline for amendments: 9 October 2012.
Consideration of amendments: 5 November 2012. Vote in ECON: 28 November 2012. Vote in plenary: December 2012.

***** Voting time *****

5. Common system of taxation applicable to interest and royalty payments made between associated companies of different Member States (recast)

ECON/7/07752 2011/0314(CNS)
Rapporteur: Ms Ildikó Gáll-Pelcz (EPP)
Adoption of draft report

The draft report was approved, with 33 votes in favour, 1 against and 3 abstentions.

6. Markets in financial instruments and amendment of the EMIR Regulation on OTC derivatives, central counterparties and trade repositories and

Markets in financial instruments, and repeal of Directive 2004/39/EC (recast)

ECON/7/07585 2011/0296(COD) and ECON/7/07644 2011/0298(COD)
Rapporteur: Markus Ferber (EPP)
Adoption of draft reports

The vote on both draft reports was postponed to a subsequent meeting.

***** End of vote *****

8. Economic Dialogue on Country-Specific Recommendations with the President of the Council (ECOFIN), Vassos Shiarly (Cypriot Finance Minister)

ECON/7/09983

In his introductory remarks, Mr Shiarly read the speech in Annex III in which he announced the conclusion of the second European Semester (ES) exercise which included two novelties, (the "comply and explain" principle and recommendations stemming from the Macroeconomic Imbalances Procedure (MIP)), with most recommendations focusing on labour market policies, structural reforms and public finances, and with changes being made and explained for recommendations in 10 out of the 27 Member States (MS). He concluded his intervention by stating that there was room for improvement and looked forward to the European Parliament's contribution to the improvement of the exercise.

In the subsequent exchange of views, many committee members raised concerns regarding the ES exercise, and more specifically on democratic accountability and on ways to enhance the role of the European Parliament (EP) (Mr Gauzès (EPP, FR)); on the quality, validity, inconsistency and weakness of recommendations, as well as on the results, and on spill-over effects (Ms Ferreira (S&D, PT)); on some MS' repeated non-compliance (Mr Giegold (Greens/EFA, DE)); on ill-based last minute modifications (Mr Schmidt (ALDE, SE)); and on changes in criteria to set up recommendations (Mr Sánchez Presedo (S&D, ES)).

Mr Shiarly explained that the ES would be subject to an in-depth review by the Council in October 2012 to optimise the exercise. Ms Bowles (ALDE, UK) informed the Presidency that the committee would issue an own-initiative report on the ES which would also be voted on in October. Mr Shiarly assured Ms Ferreira that suggestions to improve recommendations would be considered by the Council.

A Cyprus Presidency expert noted that the quality of recommendations had improved since 2011, but conceded nevertheless that there was still room for improvement, and suggested including timetables for the implementation of recommendations, ensuring additional time for discussions, and enhancing political and technical dialogue. He underlined the difficulty of analysing spill-over effects, but considered as pertinent suggestions to analyse the consequences of policies adopted in bigger MS on the whole of the European Union and in particular in the euro area. He admitted that within the Council, balance of payments surpluses were not viewed nor weighted in the same way as balance of payments deficits and that this approach would be analysed in the review process. He also pointed out the inclusion of growth, banking and financial elements within the 2012 recommendations. He noted that it was still too early to draw all the necessary conclusions regarding the impact of the recommendations adopted so far, and admitted the existence of different recommendations concerning similar issues such as competition and the labour market, due to the existing structural differences among MS as in the cases of Italy and Finland.

Mr Shiarly referred to the prospective banking union and supervision as tools to avoid future crises and negative spill-over effects, noting that solidarity went hand-in-hand with responsibilities and obligations.

He considered the "comply or explain" procedure a significant improvement and an important concession from the Council which required MS to explain why for instance identical recommendations were issued in successive years. He stated that the recommendations made to Spain were relevant and since they had been accepted, assistance for the recapitalisation of the Spanish banking sector had been approved, and a one-year extension had been granted to the Spanish government for the reduction of the budget deficit. He confirmed to the committee that he had received firm assurances from the Greek government on its commitment to honour its obligations. He concluded by noting that the banking union could have a positive effect in restoring confidence.

9. Date of next meeting

The next meeting will be held in Brussels on 3 September 2012.

Speech by Mr Draghi, President of the European Central Bank

Madam Chair,

Honourable members of the Committee on Economic and Monetary Affairs,

It is a pleasure to be back here in Parliament and in front of your Committee for our regular exchange of views.

Today, I will explain the decisions of the Governing Council of the ECB last week. I will then consider the actions taken by central banks around the world in response to the crisis. I will also discuss the economic adjustment programmes in euro area member countries, and close with some remarks on the longer term vision for EMU.

Economic and monetary developments

Last Thursday, the ECB's Governing Council unanimously decided to lower key interest rates by 25 basis points. This has brought the main refinancing rate to 0.75% and the deposit rate to zero. The policy decision took account of further dampening of inflationary pressures, as some of the previously identified downside risks to economic activity materialised.

On non-standard monetary policy measures, the Governing Council decided in June to continue conducting all refinancing operations as fixed-rate tender procedures with full allotment, at least until mid-January 2013. Measures were also taken to improve access of the banking sector to these operations by enhancing collateral availability.

Our measures, both standard and non-standard, support the transmission of monetary policy and the provision of credit to the real economy. They safeguard price stability in the euro area. And they help to reduce financing costs, supporting renewed confidence and sustainable growth.

The ECB remains committed to delivering on its mandate – and retains full capacity to act in a firm and timely manner.

Indicators for the second quarter of 2012 point to a weakening of growth and heightened uncertainty. But looking ahead, we continue to expect the euro area economy to recover gradually, albeit with dampened momentum.

Euro area annual inflation was 2.4% in June 2012, unchanged from May. Inflation should decline in the course of 2012 and be below 2% in 2013. In an environment of modest growth and well-anchored inflation expectations, underlying price pressures should remain moderate. This will restore purchasing power of wages and salaries.

Risks to this outlook are broadly balanced over the medium term: on the downside, they relate to weaker than expected euro area growth; on the upside, risks could stem from further increases in indirect taxes and higher than expected energy prices.

Our monetary analysis gives a picture consistent with price stability over the medium term. In particular, the underlying pace of monetary expansion remains subdued. Weak loan growth largely reflects the current cyclical situation, heightened risk aversion and balance sheet adjustments by households and firms, which weigh on credit demand.

Central banks' response to the crisis

Let me now turn to the first topic you asked me to address, the measures taken by central banks around the world in response to the global financial crisis. In a nutshell, I consider those actions to have been bold, forward-looking yet historically informed, drawing appropriate lessons from financial crises of the 20th century.

Central banks have cooperated very closely during the crisis: through an important coordinated interest rate cut in October 2008; provision of swap lines; continuous information exchange; and overall actions that have been mutually consistent. In particular, the overriding objective of medium-term price stability has never been lost from sight.

Both interest rate policy and non-standard measures have taken account of the prevailing specific circumstances: first, the financial and economic structure of each economy; second, the magnitude and specificity of shocks; third, the different operational frameworks of different central banks; and fourth, the different institutional settings in which they operate.

For these four reasons, comparisons across constituencies have their limits. What's more, comparison of the size of central banks' balance sheets may give a distorted picture of the extent of policy action. For example, in the Eurosystem, a significant part of the balance sheet is not related to monetary policy but to gold and foreign exchange reserves. Therefore, the appropriate way to measure a central bank's actions is to do so in its own institutional and economic setting and against its own objectives.

For the ECB, those actions have been, and will continue to be, geared towards maintaining price stability in the euro area. This is our mandate, and our track record speaks for itself.

The ECB's role in adjustment programmes

Effective crisis resolution needs bold actions by central banks but it also needs bold actions by other policy actors, notably governments. This brings me to the other topic that you proposed: economic adjustment programmes and the role of the ECB.

In the aftermath of the crisis, a number of EU and euro area countries have requested financial assistance because of their challenged access to capital markets. At the same time, they have committed to implementing the reforms necessary to secure full market access in the future.

Since financial assistance can only be temporary, the quality of the reforms and their implementation are absolutely essential. It is this quality that ultimately determines the success of a programme.

The design and monitoring of programmes in the euro area is done jointly by the European Commission, the ECB and the IMF. The ECB provides input through its expertise, not least with respect to the financial sector but also with regard to country surveillance. Our experience with this set-up has been very good, and the cooperation with the Commission and the IMF has been excellent.

Today's economic environment obliges all countries to take a very critical look at their past – and it obliges all to take a very objective view of their future.

It is only against the background of the past that the adjustment programmes currently underway in several euro area countries can be understood.

It was past economic developments and policies that led to excessive imbalances in a number of countries. And it was those imbalances – fiscal, macroeconomic and external – that were neither healthy nor sustainable.

Unsustainable imbalances provide the objective need for adjustment programmes – and the degree of the adjustment is directly related to the extent to which past policies were misguided.

Policy adjustment in the euro area takes place under market pressures, but less so than for countries outside the euro area because being part of monetary union shelters countries against some pressures, notably on the exchange rate.

But this does not mean that the degree of policy adjustment can be lower. The schedule of regaining full market access within a few years applies here too. Therefore, perseverance in bold and necessary reforms is crucial.

A critical success factor is ownership of the programmes by governments, parliaments and ultimately the citizens of the countries concerned. An essential precondition for ownership is that policy-makers communicate clearly about the economic rationale for adjustment. As I have suggested, this means taking a critical view of the past and an objective view of the future.

This process has started. Increasingly, national policy-makers make the case for reform strongly. They point to past developments in explaining the background of adjustment and now highlight the many beneficial elements of reforms. Some of these reforms improve fairness by combating tax evasion or rent-seeking by vested interests, and they improve the efficiency of the public sector.

National policy-makers are now increasingly making a central part of their objective the overall aim of EMU: to sustain economic well-being in the absence of major imbalances, and to generate sustainable growth in a competitive environment.

In my view, a great deal of progress is underway in this respect.

For example, the Irish authorities have maintained a strong track record for maintaining reform momentum throughout their programme. They have also taken important steps towards restoring the stability of the financial system.

In Portugal, programme implementation remains good and important progress has been made in such areas as the labour market, the housing market, the general competition framework, the judicial system and the transport sector. The Portuguese authorities remain fully committed to achieving this year's fiscal target.

The Spanish authorities too have shown that they remain fully committed to accelerating the structural reform agenda and putting the financial sector on a sound footing. They are also committed to improving external competitiveness to lay the foundations for more sustainable prosperity.

Even without programmes, many policy-makers are bold in reform. In Italy, for example, reforms to increase competition, reduce the administrative burden and increase labour market flexibility have been important measures. The country's spending review will help to achieve the fiscal targets.

Virtually all other countries are undertaking measures to improve fiscal solidity and the basis for sustainable growth without excessive imbalances. So despite the current challenges, countries' progress is strong and the fundamentals of the euro area as a whole are sound.

The euro area's fiscal deficit is declining towards 3% of GDP; price stability is ensured; and the external accounts have remained close to balance. All these are reasons to pursue reforms with a strong degree of confidence.

A longer-term vision for EMU

Why then do we still have tensions in a number of market segments? Let me first stress that a lot has been done at country as well as euro area level in terms of economic reforms and governance. But we need full implementation. We have to make clear that EMU is a union based on stability at national and aggregate levels.

Stability at national level means completing reforms to ensure sustainable growth without major imbalances. Stability at aggregate level means implementing the vision recently presented at the summit.

The central message of that vision is this: the euro is here to stay – and the euro area will take the necessary steps to ensure that.

In my view, the core of the report submitted by President Van Rompuy is the identification of four building blocks:

First, a *financial market union* that elevates responsibility for supervision of banks to the euro area level.

Second, a *fiscal union* that reinforces oversight of budgetary policies at the euro area level and also provides some fiscal capacity to support the functioning of the currency area.

Third, an *economic union* with sufficient mechanisms to ensure that countries can achieve sustained prosperity without excessive imbalances.

And finally a *political union* that strengthens the legitimacy of EMU among euro area citizens and deepens its political foundations.

These four building blocks are mutually consistent and coherent, and should be pursued in parallel. I am looking forward to the work on a roadmap that has started. In my view, three issues deserve particular attention:

First, we need to move towards a further sharing of sovereignty in the fiscal, financial and economic domains. There can be no shortcuts in establishing a sound and stable EMU.

Second, EMU is an integral part of the Treaty. This calls on all relevant bodies and actors to engage constructively on improving its functioning, not only at Union but also at national level. To call for an impeccable application of the Treaty and at the same time refuse closer union mentioned in Article 1 of the Treaty is inconsistent, to say the least.

Third, we need to accompany deeper euro area integration with significant progress on democratic legitimacy and accountability. There is no doubt that you and your colleagues – the members of the European Parliament, the directly elected representatives of the citizens of Europe – will continue to play a central role in the steps towards political union.

Thank you for your attention.

Speech by Mr Barnier member of the Commission responsible for the Internal Market and Services

Mesdames et Messieurs les députés européens,

Ce dialogue structuré régulier a lieu à un moment particulier.

Il y a un peu plus d'une semaine, les chefs d'état et de gouvernement se sont réunis ici à Bruxelles pour fixer des orientations qui conditionnent l'avenir de l'Europe.

Ce Sommet Européen a marqué un pas en avant significatif dans le traitement de la crise.

Pour la première fois depuis longtemps, ce sommet a traité les urgences et tracé une route pour traiter les problèmes de fond qui minent notre Union Economique et Monétaire.

L'accueil initial des marchés et de nos partenaires internationaux a été positif.

Nous devons maintenant agir rapidement et collectivement et répondre aux attentes.

Les véritables défis sont devant nous. La tâche est immense. Nous devons maintenant bâtir une Union budgétaire, une Union Financière et une Union économique. Nous devons inventer un nouveau mode de gouvernance démocratique pour les légitimer.

S'agissant de l'Union Bancaire, sujet qui me concerne directement, le Conseil Européen a décidé d'activer l'Article 127 (6) du Traité pour créer un système de supervision intégré, impliquant la BCE.

Sous l'impulsion de José Manuel Barroso, nous avons commencé le travail collectif dès le lendemain du Conseil. Derrière l'apparente simplicité des conclusions du Conseil, beaucoup de questions politiquement difficiles et techniquement et juridiquement complexes se posent:

Quel type d'intégration au sein de l'Union Bancaire, le nouveau superviseur se superpose-t-il ou se substitue-t-il aux superviseurs nationaux?

Comment assurer un système qui reste ouvert à tous les Etats-Membres et respecte l'intégrité du marché unique? Sur quelle(s) base(s) juridique(s).

Le nouveau superviseur intégré doit-il superviser toutes les banques ou seulement quelques banques internationales et systémiques?

Comment seront réglées les relations entre le nouveau superviseur intégré et les autres superviseurs au sein de l'Union, quelles évolutions seront nécessaires dans le règlement EBA?

Et enfin, comment assurer la responsabilité démocratique de ce superviseur intégré vis-à-vis des institutions européennes et notamment le Parlement européen?

Ce ne sont là que quelques-unes des nombreuses questions auxquelles nous devrions répondre pour pouvoir faire une proposition concrète après l'été.

Mais l'Union Financière ou Union Bancaire ne se résume pas à une supervision intégrée. C'est aussi par exemple un système de résolution ordonnée pour nos banques, des fonds de garantie et de résolution mutualisés et un jour unique, un ensemble de règles communes exigeantes réunies dans un *"Single Rule Book"*. Ces textes sont sur votre table et je sais que vous partagez ma conviction que nous devons accentuer notre effort pour les faire aboutir rapidement.

Premier point - CRD 4

Sous l'impulsion d'Othmar Karas, la discussion sur ce dossier primordiale pour la stabilité et la solidité du secteur bancaire européen avance. J'espère que nous aurons un accord dans les prochaines semaines. Un accord politique dans les meilleurs délais est urgent si nous voulons avoir des règles communes pour l'ensemble des banques européennes au 1^{er} janvier 2013, comme nous nous y sommes engagés au G20 et comme confirmé à Los Cabos il y a quelques semaines.

C'est pourquoi, je soutiens pleinement la nouvelle démarche consistant à se concentrer, en trilogue politique, sur les questions politiques essentielles. Dans ce contexte, je pense notamment à la pondération des risques pour les prêts aux PME – sujet sur lequel nous devons assurer une approche à la fois facilitatrice pour les PME et solide d'un point de vue prudentiel. Je pense aussi à la question du degré et de l'encadrement de la flexibilité nationale dans le contexte du Single Rule Book. Je pense enfin à la question des règles sur la liquidité, dont la calibration, essentielle pour trouver le juste équilibre entre robustesse et financement de l'économie, reste encore à trouver au Comité de Bâle.

Deuxième point – un cadre européen de protection des déposants.

La Présidence chypriote est prête à redémarrer le travail. C'est une chance pour le Parlement, et je suis sûr que Peter Simon est déterminé à la saisir.

Il devient maintenant urgent de conclure sur ce dossier. Et je souhaite, bien évidemment, que la possibilité des prêts mutuels entre les fonds nationaux soit réintroduite dans le texte.

Troisième point - un cadre européen de prévention et de gestion des crises bancaires.

Nous avons présenté notre proposition le 6 juin dernier (Rapporteur Gunnar Hökmark). Ce projet devra être adapté à l'impulsion nouvelle du 29 juin dernier, et j'ai confiance dans votre commission pour lui donner l'ambition appropriée, et faire que les banques assument elles-mêmes leurs propres mésaventures, sous la surveillance d'autorités dotées des outils nécessaires à d'éventuelles interventions.

Quatrième point: lutte contre les abus de marché

L'actualité le démontre avec l'affaire Barclays et la manipulation du taux de refinancement des banques, les comportements scandaleux restent possibles sur les marchés financiers. Les travaux sont en cours au sein de votre Commission pour renforcer la lutte contre les manipulations de marché et sanctionner les abus. Je sais le travail que mène en particulier le rapporteur Madame McCarthy. Je considère que nous devons sans doute renforcer ces textes pour couvrir plus directement de telles manipulations. Et je m'en suis déjà entretenu avec Madame McCarthy.

Cette Union Financière, nous voulons qu'elle prenne place dans un Marché Intérieur des Services Financiers rendu plus transparent, mieux régulé et mieux supervisé. Il nous faut pour cela maintenir notre effort sur les autres fronts législatifs déjà engagés.

Je pense d'abord à la Directive Omnibus II.

Vous venez d'adopter la directive *quick-fix*, qui repoussera l'entrée en vigueur de la Directive Solvabilité 2 et permettra d'éviter un vide juridique.

Mais l'urgence demeure.

Je partage avec Burkhard Balz, Sven Giegold, Peter Skinner - et vous tous - le souci de permettre aux assureurs de continuer d'offrir des garanties et des investissements à long terme, tout en assurant un niveau de capitalisation solide.

Je crois qu'il est possible de conclure rapidement les trilogues, notamment si une solution équilibrée est trouvée sur ce point, afin qu'Omnibus II soit publiée à l'automne. Pour la Commission, le point essentiel est d'assurer un *level playing field* et de ne pas pénaliser certains Etats-Membres ou leurs secteurs d'assurance.

La Commission se tient prête à adopter la seconde vague de textes sur Solvabilité II aussi vite que possible, en particulier les mesures d'exécution (de niveau 2) et les standards techniques proposés par EIOPA. Dans ce contexte, la Commission s'engage également à publier une étude d'impact, notamment en ce qui concerne les mesures relatives aux garanties à long terme.

Un mot aussi de la révision de la MiFID (Rapporteur Markus Ferber) et des règles sur l'abus de marchés (Rapporteur Arlene McCarthy).

Il est important de conclure d'ici la fin de l'année, et de garder la cohérence entre les deux instruments.

Il y a trois sujets clés:

La structure des marchés : la nouvelle catégorie d'OTF doit être soumise aux mêmes règles, y compris en matière de transparence, que les marchés réglementés ou les plateformes multilatérales de négociation: "à fonction identique, règles identiques".

L'accès non-discriminatoire aux chambres de compensation (CCPs) et aux plateformes de négociation : la concurrence dans ces domaines est la clé de l'intégration des infrastructures de marché de l'UE.

L'établissement d'un régime pays tiers équitable. Il ne s'agit pas d'une fermeture de nos marchés mais d'assurer une approche solide qui permettra aux entreprises des pays tiers de bénéficier pleinement du marché unique. Ceci est très important dans le contexte de convergence réglementaire au niveau du G20, FSB, IOSCO.

Enfin, je continuerai à soutenir le travail de M. Domenici sur les agences de notation. Nous avons pour l'essentiel les mêmes objectifs, et j'espère que le travail en trilogue aboutira sous l'actuelle présidence. La Commission est notamment attachée au sujet de la rotation qui doit être maintenue dans le texte final.

Mesdames, Messieurs,

Nous devons aussi remettre du sens et de l'éthique là où cela a été perdu de vue, en agissant à la fois sur la responsabilité sociale des entreprises, sur l'encouragement des PME et sur la protection des consommateurs.

Sur la gouvernance d'entreprise dans les institutions financières, je sais qu'il existe des points clés où il y a toujours un écart substantiel entre la position du parlement et celle du conseil, notamment en ce qui concerne la diversité dans les organes de direction et la rémunération. Je suis prêt à faciliter la recherche d'un compromis, afin de trouver un accord rapide dans le cadre de CRD4.

Et dans le contexte de la rémunération, un renforcement du rôle des actionnaires est à explorer.

Concernant le paquet "entreprises responsables", à savoir les Directives Normes Comptables (rapporteur Wolf KLINZ) et la Directive Transparence (rapporteur Sirpa PIETKÄINEN), adoptées en octobre dernier, je suis très attentif à votre coopération avec la Commission JURI, pour conclure rapidement ces deux dossiers complémentaires.

Je pense avant tout aux versements aux Etats (*country by country reporting*)

Je sais que certains membres de cette commission souhaitent aller beaucoup plus loin.

Je partage cette ambition.

Cependant, je pense qu'il faut être réaliste, c'est pourquoi la proposition prévoit une clause de revue depuis cinq ans. Nous devons bien mesurer quelles seront les conséquences d'une extension pour les entreprises et en particulier les PME.

Étendre le champ d'application tout de suite recevrait une grande résistance de la part des États membres et coûterait très cher aux entreprises.

Des mesures plus proportionnées et efficaces peuvent être mises en œuvre pour lutter contre d'éventuelles fraudes fiscales des entreprises multinationales.

J'espère que les trilogues pourront commencer rapidement cet automne.

Sur les fonds de capital-risque et d'entrepreneuriat social, je vous remercie d'avoir trouvé un compromis. (Rapporteurs Philippe Lamberts et Sophie Auconie)

Les positions de chacun ont fini par être prises en compte.

Le texte sur les paradis fiscaux n'allait pas de soi, il s'agit d'une grande avancée. La pugnacité du Parlement a payé et je m'en réjouis.

Et avec l'instauration d'ESMA comme médiateur, nous renforçons l'approche communautaire et évitons ainsi les interprétations parfois trop divergentes entre les Etats Membres.

Last but not least, les consommateurs doivent être les premiers à profiter de nos réformes financières.

J'ai participé la semaine dernière au débat qui a donné une forte majorité au rapport de Jürgen Klute (GUE, DE) sur l'accès au compte bancaire de base.

Je vous ai dit alors, et vous redis ici, ma détermination à faire avancer les droits des consommateurs, dans le cadre d'un paquet "Comptes bancaires" qui traitera non seulement de la question de l'accès, mais aussi de la transparence et comparabilité des frais, ainsi que de la mobilité bancaire (gratuité de la fermeture d'un compte et services d'aide à la mobilité).

Plus généralement en ce qui concerne les consommateurs et les investisseurs de détail, nous venons de franchir une étape importante dans ce sens avec l'adoption au Collège, la semaine dernière, des propositions OPCVM V (Rapporteur Sven Giegold), pour éviter dans l'avenir des scandales de type Madoff, PRIIPS avec l'obligation pour les fournisseurs des produits d'investissement de les faire accompagner par un document avec les informations clés et, finalement, la révision de la Directive sur l'intermédiation en assurance.

Je souhaite que les travaux débutent le plus vite possible au Conseil et au Parlement afin d'avoir une mise en application la plus rapide possible de ces trois textes.

En ce qui concerne les fonds d'investissement, notre réflexion ne s'arrête pas avec cette révision ciblée de la Directive OPCVM.

Une consultation sur l'avenir de l'OPCVM sera lancée prochainement. Il n'y aura aucun tabou, tous les sujets seront discutés. Nous voulons créer un cadre OPCVM le plus sûr pour les investisseurs mais en même temps le plus attractif pour les professionnels.

L'efficacité de la réglementation actuelle des fonds d'investissement sera également examinée dans le contexte de notre travail sur le *shadow banking*.

Il s'agit de s'assurer que les régulateurs et les superviseurs puissent disposer d'une vue exhaustive, c'est-à-dire qu'ils aient les moyens et les pouvoirs de connaître et de maîtriser l'effet de levier pris par tous les intermédiaires financiers du système bancaire parallèle. Nous venons de terminer une consultation sur ce sujet et nous suivons attentivement les travaux globaux au sein du FSB.

Derniers sujets pour aujourd'hui - les investissements de long terme et le groupe Liikanen.

En ce qui concerne les investissements de long terme, j'espère pouvoir vous présenter un texte sur ce sujet essentiel pour la croissance avant la fin de cette année. Nous regarderons attentivement les effets potentiels de notre législation actuelle mais étudierons également les possibilités d'encourager plus globalement des investissements à long terme, par exemple dans les infrastructures et afin d'assurer la transition écologique.

Enfin, le groupe Liikanen. Nous attendons les recommandations du groupe pour fin septembre. Une fois ces recommandations évaluées par la Commission, nous allons décider rapidement sur le suivi de ce sujet essentiel, étroitement lié à toutes nos autres réformes actuelles du secteur bancaire.

Mesdames et Messieurs les Députés,

Les décisions que nous avons à prendre sont historiques; elles engagent l'avenir du projet européen.

Il s'agit de reconquérir la confiance, non seulement des marchés et des investisseurs institutionnels, mais aussi des petits investisseurs et épargnants, de l'ensemble des Européens – sans la confiance desquels rien ne sera possible, ici comme dans les Etats membres.

Je ne doute pas que votre commission sache faire avancer les nombreuses propositions que nous lui avons faites, tout en les améliorant comme elle l'a souvent fait dans le passé.

Je vous remercie.

Speech by Mr Shiaryl, President of the Council (ECOFIN)

Overview

I am pleased to inform you that ECOFIN adopted today the Country-specific recommendations, thus concluding the 2012 European Semester. The formal adoption today follows the endorsement by European Council on 28/29 June.

The package of recommendations includes 27 country-specific recommendations (on budgetary measures and economic reforms), as well as a set of recommendations for the euro area.

This is the second time that the European Semester has been conducted, and this year it included two novelties.

One is the "comply or explain" principle, whereby the Council is expected to, as a rule, follow the recommendations of the Commission, or otherwise publicly explain its position. This has in fact been an important addition in that it ensures greater transparency and accountability in the process. And I do not exaggerate when I say that this has strengthened the Commission's position in this process.

The other novelty was the inclusion of recommendations stemming from the Macroeconomic Imbalances Procedure (MIP). The MIP covered 12 countries¹ and concluded that although these are suffering from imbalances, the imbalances are currently not excessive.

These two novelties made the process for the recommendations more complex than in the past. In addition, the Council work was organized in parallel tracks: ECOFIN for recommendations falling under the SGP (Stability and Growth Pact), MIP and general structural policies; and EPSCO for employment matters.

In spite of the challenges, all good work came to a conclusion today, and it's now for Member States (MS) to translate the recommendations into their forthcoming national decisions on budgets, structural reforms and employment policies.

¹ Belgium, Bulgaria, Cyprus, Denmark, Spain, Finland, France, Hungary, Italy, Sweden, Slovenia, United, Kingdom.

Detail on the focus of discussions

If we look into the detail of the discussions between the Council and the Commission and the application of the "comply or explain" principle, two points are worth mentioning:

First, that the discussions resulted in a number of additions and changes to the recommendations with full support from the Commission. In fact, for many MS, there were no further changes made to their recommendations.

And second, in those cases where we did not reach an agreement with the Commission, the Council explained its position. The report with these explanations was also adopted today and you will shortly receive it.

In the report, it is noticeable that the focus of the discussions (and changes) was on labour market policies, structural reforms, and public finances (and less so on the financial sector)². Overall, changes were made (and explained) for recommendations in 10 out of the 27 countries. In as much as 8 of these 10 cases, they included modifications to recommendations on labour market policies.

Follow-up on the 2012 European Semester

Overall, the 2012 European Semester had a successful outcome. Certainly there exist areas for improvement, especially given the novelties in the process. One such challenge is to find the optimal use of the (short) time available for the discussions.

ECOFIN has initiated today the discussions on how to improve the European Semester. The work will now be advanced by the Commission and the preparatory bodies, and will be subject to an in-depth review by the October ECOFIN.

The Cyprus Presidency remains committed to prepare an optimized and fruitful European Semester in 2013.

² These four groupings include the following recommendation areas: **Labour market**: labour market participation, active labour market policy, wage setting mechanisms, flexicurity, and education; **Structural reforms**: network industries, competition in service sector, public services and regulation, R&D and innovation, and resource efficiency; **Public finances**: sound public finances, pension and health systems, fiscal framework, and taxation; **Financial sector**: banking, housing market, and access to finance.

Background. Ideas for improvement in the European Semester process

The following ideas advance possible ways to improve the European Semester process. They have not been agreed, and are solely potential basis for reflection:

MS to respect fully the deadline for their input, namely 15 April.

The Commission can deliver the proposals for recommendations earlier.

The Council can start discussions earlier, even before the Commission issues the proposals (on horizontal issues).
