



**COUNCIL OF
THE EUROPEAN UNION**

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REVISED NOTE

from: General Secretariat of the Council
to: Permanent Representatives Committee (Part II)

Subject : Single Supervisory Mechanism:
a) Council Regulation conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions;
b) Regulation of the European Parliament and of the Council amending Regulation (EC) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority) as regards its interaction with Council Regulation (EU) No.../... conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions [**First Reading**];
- Approval of the final compromise text

1. The above mentioned Commission proposals (hereinafter "ECB Regulation Proposal" and "EBA Regulation Proposal") were transmitted to the Council on 12 September 2012¹.
2. The opinion of the European Economic and Social Committee was issued on 15 November 2012.² The European Central Bank delivered its opinion on these proposals on 27 November 2012.³

¹ Doc. 13682/12 EF 198 ECOFIN 769 CODEC 2115 (EBA Regulation Proposal) and doc. 13683/12 EF 199 ECOFIN 770 (ECB Regulation Proposal).

² OJ C 11, 15.1.2013, p. 34.

³ Doc. 17787/12 EF 313 ECOFIN 1076 CODEC 3051.

3. The European Parliament Committee on Economic and Monetary Affairs (ECON) adopted reports on the aforementioned Proposals on 28 November 2012.⁴ The position of the European Parliament at first reading is still pending.
4. The Economic and Financial Affairs Council (ECOFIN) agreed on a general approach on the EBA Regulation Proposal and provisionally agreed a unanimity approach on the ECB Regulation Proposal, pending the European Parliament's opinion under the consultation procedure, on 13 December 2012⁵.
5. The Presidency has conducted consultations with the European Parliament on the ECB Regulation Proposal, and negotiations with the European Parliament and the European Commission on the EBA Regulation Proposal with a view to reaching an agreement and ensuring adoption of that Regulation at first reading. On 19 March 2013 a provisional political agreement was reached.⁶
6. On 27 March 2013, the COREPER agreed to continue its examination of the final compromise on the ECB Regulation Proposal, on the basis of further limited amendments to be presented by the Presidency. These were provisionally agreed in COREPER on 10 April, subject to an agreement among Ministers on a political declaration to uphold the agreed compromise, and have been incorporated in the final text as set out in doc. 7776/1/13 REV 1.
7. On the occasion of the Informal meeting of Ministers and Governors in Dublin (12 April 2013), Member States agreed on a political declaration (see Annex) to accompany the aforementioned final compromise on the ECB Regulation Proposal.

⁴ See European Parliament doc. A7-0392/2012 and A7-0393/2012 of 3.12.2012.

⁵ Doc. 17812/12 EF 316 ECOFIN 1080 (ECB Regulation Proposal) and doc. 17813/12 EF 317 ECOFIN 1081 CODEC 3057 + COR1.

⁶ Doc. 7775/13 EF 54 ECOFIN 220 CODEC 657 (EBA Regulation Proposal) and doc. 7776/13 EF 55 ECOFIN 221 (ECB Regulation Proposal).

8. On this basis, the Permanent Representatives Committee (Part II) is invited to:

- a) Confirm that the Presidency can indicate to the European Parliament that, should the European Parliament adopt its position at first reading in the exact form as set out in doc. 7775/13 EF 54 ECOFIN 220 CODEC 657 (EBA Regulation Proposal), the Council would expect to approve the European Parliament's position, for the act to be adopted in the wording which corresponds to the European Parliament's position, subject, if necessary, to revision by the legal linguists of both institutions;
- b) Note its expectation to agree on the text of the ECB Regulation Proposal, as set out in doc. 7776/1/13 REV1 EF 55 ECOFIN 221, pending the opinion of the European Parliament and legal linguists finalisation;
- c) Confirm that the Regulations should continue to be considered side by side and adopted at the same time in particular because of the political and legal links between them.

Informal Meeting of Ministers and Governors, 12 April 2013
Declaration by Member States

"The Member States reaffirm their commitment to the urgent completion of all the agreed elements of banking union, as set out by the European Council, in particular in its Conclusions of 13/14 December 2012.

Whilst respecting the integrity of the single market and with reference to Recital 45(a) of the Regulation and the Commission's Communication of 28 November 2012 on a Blueprint for a deep and genuine economic and monetary union, Member States declare that they are also ready to work constructively on a proposal for Treaty change made in accordance with provisions of Article 48 TEU. Should Article 127 paragraph 6 TFEU or other relevant Treaty provisions be amended the current Regulation should, if necessary, be appropriately adjusted."⁷

⁷ See Recital 45a as set out in doc. 7776/1/13 REV1.