



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 17 April 2013

**17729/1/12
REV 1**

**PV CONS 72
ECOFIN 1073**

DRAFT MINUTES

Subject: **3214th** meeting of the Council of the European Union (**ECONOMIC and
FINANCIAL AFFAIRS**) held in Brussels on 12 December 2012

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1. Adoption of the provisional agenda

17425/12 OJ/CONS 71 ECOFIN 1035

The Council adopted the agenda as set out in doc. 17425/12.

LEGISLATIVE DELIBERATIONS

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

2. Banking Supervision Mechanism:

- General approach

17540/12 EF 303 ECOFIN 1052 CODEC 2994

a) Proposal for a Council Regulation conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions

- Presidency compromise

17538/12 EF 301 ECOFIN 1050

**b) Proposal for a 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]**

- Presidency compromise

17539/12 EF 302 ECOFIN 1051 CODEC 2993

The Council examined the Presidency compromises referred to above, and agreed the texts set out respectively in documents 17812/12 and 17813/12 + COR 1.

The Council noted in particular that, as regards the Regulation Proposal referred under point (a) above, all decisions to be taken by the Supervisory Board shall be voted by simple majority (each member having one vote), as specified in Article 19(2ab) thereof, whilst for the decisions on the adoption of regulations pursuant to Article 4(3) qualified majority voting, as specified in Article 19(2b), and simple majority voting shall be applied together until 31 December 2015, as provided for in Article 27(6a).

The Council also noted that all credit institutions, financial holding companies or mixed financial holding companies for which public financial assistance has been requested or received directly from the EFSF or the ESM shall not be considered less significant under that Regulation and shall therefore be *ipso facto* directly supervised by the ECB.

The Council furthermore noted that the ECB may at any time, on its own initiative after consulting with national authorities or upon request by a national competent authority, decide to exercise directly itself all the relevant powers, *inter alia*, for one or more credit institutions where financial assistance has been requested or received indirectly from the EFSF or the ESM.

Following the debate, the ECOFIN President orally concluded that:

"The Council has agreed an approach to consult the European Parliament on the basis of the Presidency's compromise proposals for the ECB Regulation as amended in the course of the Council's deliberations and to enter into Trilogues with the European Parliament as regards the EBA Amending Regulation on the basis of the Presidency compromise Proposal, as amended in the course of the Council's deliberations in connection with the Presidency's compromise Proposal for the ECB Regulation.

The Council has acknowledged that it is crucial that the integrity of the Single Market is fully respected in the creation of the Single Supervisory Mechanism. It is also important to ensure that the creation of the SSM does not alter the balance of the respective competences between the competent authorities and the EBA.

In order to assess the potential impact in these respects of the two legislative proposals, they will have to be considered side by side and the final texts agreed at the same time, following consultation and Trilogues as relevant."

The Council also took note of a declaration by Hungary.

Declaration by Hungary

concerning the Proposal for a Council Regulation conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions

"In the context of the further discussions on further deepening of Economic and Monetary Union, in particular concerning the Integrated financial framework (Banking Union), Hungary is convinced of the need to reflect further on the issue of cooperation of SSM with future possible financial facilities, and including a neutral wording which would not preempt but facilitate future discussions.

Being aware of the sensitivity of the issue Hungary is ready to accept the agreement on the general approach on the ECB Regulation with a view to enter into discussions with the European Parliament.

Hungary intends to come back on this issue in the next steps of the legislative procedure (including in the context of trialogue discussions), and notes the openness expressed by the different parties towards this key element of the ongoing debate.

Hungary would also like to follow up on this topic in the continued discussion on the genuine EMU, as it is foreseen to be a crucial element in that context as well."

3. **Any other business**

No items were raised under this heading.

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