



**COUNCIL OF  
THE EUROPEAN UNION**

**Strasbourg, 12 September 2012**

**13808/12**

**PE 415  
INST 533  
FIN 659  
BUDGET 35**

**NOTE**

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from: General Secretariat of the Council  
to: Delegations  
Subject : Plenary Session of the European Parliament, 12 September 2012  
**Question for oral answer to the Commission - Proposals for a European banking Union**

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Ms BOWLES (ALDE, UK), author, stated that problems with the democratic legitimacy, accountability and timing of the various proposals on a banking union were foreseen and had unfortunately now increased in other areas. She mentioned in particular the single-market cost benefit in making the European Central Bank the euro zone supervisor. Regarding the proposals themselves, Parliament needed to be fully involved in both legislative proposals. She considered that the EP should play a strong role, beyond that of merely giving its opinion.

With regard to accountability, Parliament's role needed to go beyond organising occasional hearings in the Committee on Economic and Monetary Affairs. In case of regulatory failure she considered that an inquiry had to be possible. On disciplinary matters, the procedure should, as far as possible, mirror the norms of national procedures as the ECB would be both prosecutor and judge, with the possibility of review by the European Court of Justice. She also raised the issue of the interaction of the ECB and the European Banking Authority (EBA) and of the importance of ensuring gender balance on the supervisory board.

On behalf of the Commission, Mr BARNIER, Commissioner in charge of Internal Market and Services, recalled the key challenge of breaking the link between Banks and public debt. A first Commission proposal concerning a single supervisory mechanism (SSM) for banks in the euro area, was an important step in strengthening the Economic and Monetary Union (EMU). Mr BARNIER recalled that in the new single mechanism, ultimate responsibility for specific supervisory tasks related to the financial stability of all Euro area banks would lie with the European Central Bank (ECB). National supervisors would continue to play an important role in day-to-day supervision and in preparing and implementing ECB decisions. The proposed Council regulation was based on Article 127(6) TFEU. The legal basis was not a codecision procedure and required unanimity within the Council to confer specific tasks upon the ECB for the prudential supervision of credit institutions and other financial institutions. Mr BARNIER added that the choice of the legal basis was founded on objective criteria. He insisted on the inclusive nature of the SSM, that should be open to all EU MS. A second proposal, for the European Banking Authority (EBA) to develop a Single Supervisory Handbook to preserve the integrity of the single market and ensure coherence in banking supervision for all 27 EU countries formed a package with the draft Council Regulation and was under the codecision procedure. Mr BARNIER clarified that the Commission was not going to withdraw any of its existing proposals.

#### *Contributions on behalf of the political groups*

Mr GAUZES (EPP, FR) welcomed the two proposals but warned against the dangers of lengthy negotiations. He called for MS to set aside national interests and negotiate in a genuine EU spirit. Ms FERREIRA (S&D, PT) recalled that the EP had already been asking for such proposal for two years. She inquired about two other aspects of the banking union, namely a guarantee deposit and measures for bank resolution, to avoid taxpayers' money going into rescuing banks and asked whether the ECB would have a role.

Ms GOULARD (ALDE, FR) asked about the inclusion of non euro MS in the SSM, since SSM had been conferred to the ECB.

Mr GIEGOLD (GREENS, DE) underlined the importance of delivering quickly on what the Commission had proposed, although the EP had called for such measures already two years ago. He complained that the legal basis that had been chosen excluded the EP from a full codecision vote.

Mr STRJCEK (ECR, CZ) considered that the proposals that had been tabled deserved a more general debate. He considered that the SSM would delay necessary economic reforms within MS.

Mr BLOOM (EFD, UK) criticised the whole package, which in his view would only undermine the banking system and asked whether National Parliaments would have any saying.

Ms MATIAS (GUE, PT) focussed on the need for democratic legitimacy and control of the proposals.

Mr STADLER (NA, AT) completely disagreed with the proposal, which in his view would introduce inappropriate bank supervision.

Some 30 MEPs made individual contributions, with frequent blue cards. Ms THYSSEN (EPP, NL), supported by Ms LULLING (EPP, LU) stated that because of the urgency of SSM, she was satisfied with the choice of the legal basis. Mr LANGEN (EPP, DE) expressed doubts on the legal basis for ECB control and raised a subsidiarity issue concerning the control by the ECB of 6.000 banks, including regional ones. Mr SANCHEZ PRESEDO (S&D, ES) welcomed the proposal and recalled its link with the direct recapitalisation of banks. Mr CYMANSKI (EFD, PL) inquired about voluntary membership from outside the eurozone. Mr LAMBERTS (GREENS, BE) underlined the concentration of powers within the ECB and the risk of complicities between supervisors at National and EU level. Mr AUDY (EPP, FR) expressed his surprise at the absence of the Council and raised the issue of sanctions, that were not foreseen by the legal basis of Article 127(6) TFEU. Mr BARNIER recalled in his closing remarks that the taxpayer rescued banks because of the poor state of supervision. He told Ms BOWLES that single market blocks would not be abandoned and recalled the distinction between regulatory competences and supervision. Concerning the remarks raised by Mr LANGEN, he explained that the National supervisors would continue to play a pivotal role in banking supervision.