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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Partial summary record of the meeting of the European Parliament **Committee on Economic and Monetary Affairs (ECON)** held in Brussels on 17 and 18 March 2014
Chair: Ms Bowles (ALDE, UK) and Mr Zalba Bidegain (EPP, ES)

One and a half day meeting at which ECON exchanged views with the Lithuanian Finance Minister and with Commissioners ALMUNIA and BARNIER. It also held public hearings with the Chair of the Supervisory Board of the European Central Bank, Ms NOUY, and with European and American experts on the Transatlantic Trade and Investment Partnership and the Financial Services Regulation. In addition, it voted favourably on two consultation files on the Accession of Croatia to the Convention of 23 July 1990 on the elimination of double taxation in connection with the adjustment of profits of associated enterprises and on the Common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, and on one codecision file on Deposit Guarantee Schemes. Finally, it agreed to table for plenary the agreed text between the EP and the Council on UCITS.

Agenda item 1

Adoption of the agenda

The agenda was adopted.

Agenda item 2

Approval of the minutes of the meetings on 20 February, 24 February and 3 March 2014

The minutes were approved.

Agenda item 3

Possible adoption by Lithuania of the euro

ECON/7/15316

Rapporteur: Mr Werner Langen (EPP)

- Exchange of views with Rimantas Šadžius, Lithuanian Minister for Finance; and Vitas Vasiliauskas, Governor of the Bank of Lithuania

In their introductory statements, Minister ŠADŽIUS and Governor VASILIAUSKAS gave an overview of the economic and financial situation in Lithuania and the steps taken to join the euro. Mr ŠADŽIUS mentioned the improvement of most economic indicators (public deficit, inflation, interest rates) and the latest measures carried out by the government to improve the business environment, to stimulate investment and to promote growth and secure economic sustainability. Mr VASILIAUSKAS referred to the key elements of the adjustment programme and of the economic recovery. He stressed the flexibility of the Lithuanian economy, the solidity of the financial and banking sectors, the low levels of private sector indebtedness and the availability of a new macroprudential toolkit to prevent unsustainable lending practices.

MEPs expressed praise for the measures taken to overcome the crisis and support for the entry of Lithuania to the euro area. However, some voiced concerns about existing low levels of public support, the dependency of the Lithuanian banking sector on Scandinavian banks which did not belong to the eurozone, and Lithuania's external energy reliance. MEPs also focused their interventions on the current negotiations on the Single Resolution Mechanism (SRM). Mr LANGEN (EPP, DE) applauded Lithuania's efforts to curtail the wage-productivity gap.

Mr BOKROS (ECR, HU) feared an increase in the current account deficit and external deficit after the adoption of the euro. Mr PADAR (S&D, EE) enquired about possible price increases and Mr TREMOSA i BALCELLS (ALDE, ES) about Lithuania's position on the fiscal compact and the golden rule. Mr BESSET (Greens/EFA, FR) asked if Lithuania envisaged moving towards a more progressive taxation model on income and if it supported a specific eurozone budget and the gradual mutualisation of debt, while Mr GIEGOLD (Greens/EFA, DE) enquired about Lithuania's position on the financial transaction tax (FTT).

Mr ŠADŽIUS referred to the peg between the Lithuanian currency and the euro to justify the internal devaluation designed to address the wage-productivity gap in the public and private sectors. He acknowledged changing the tax levy on labour costs and moving towards a more progressive system by reducing the tax levy for low earners.

He claimed that most Lithuanians were not against the euro but instead circumspect about negative effects, and he remained convinced that support would grow once the government launched an awareness campaign and the euro was adopted, as had been the case for Estonia and Latvia. He said that the government had created an informal Committee on the introduction of the euro and that it would set a price control system, but that it would not stop price developments. He was convinced that joining the euro would improve the investment climate and listed several short-term benefits such as the absence of exchange fees, low interest rates and the absence of devaluation risks. Mr VASILIAUSKAS held that the inflation forecasts in Lithuania did not indicate a substantial increase in prices in the immediate future.

Mr ŠADŽIUS admitted difficulties on the current trilogue negotiations on the SRM and considered it useful to link them with the ongoing negotiations on the Intergovernmental Agreement (IGA). Nevertheless, he remained confident that there would be a satisfactory outcome for all parties. He asserted that governance of the eurozone could be improved and remained sceptical about debt mutualisation. He confirmed the imminent transposition of the fiscal compact into national legislation and mentioned the existence of a discipline act to control public expenditure. He held that the completion of the liquefied natural gas terminal in late 2014 and the additional electricity links with western Europe would substantially reduce energy dependence. Finally, he noted that Lithuania's position on the FTT remained unchanged.

Mr VASILIAUSKAS did not view the reliance of the Lithuanian banking sector on Scandinavian banks as a problem given the excellent cooperation between the Lithuanian and Scandinavian supervisory authorities. He pointed out that the financing structure of Swedish Bank subsidiaries in Lithuania was now based on domestic deposits.

Agenda item 4

Possible adoption by Lithuania of the euro

ECON/7/15316

Rapporteur: Mr Werner Langen (EPP)

- Consideration of draft report (informal)

Mr LANGEN (EPP, DE) underlined the support from all political groups for Lithuania's accession to the euro as it met all preconditions. He said that the final decision in the European Parliament would be taken in the next legislative term since the definitive data on Lithuania would only be available in May. He downplayed concerns over Lithuania's energy reliance, relations with Russia, the treatment of the Russian ethnic minority and the current low level of public support.

All speakers supported Lithuania's accession to the euro. Mr BESSET (Greens/EFA, FR) proposed addressing the issue of migration, since 500 000 Lithuanians had left the country after the crisis. Mr LANGEN asserted that a large percentage of the migrants would return once the economic situation in Lithuania had improved. He criticized the EU's energy policy in Lithuania, which had led to the closure of its nuclear infrastructure and increased reliance by the Baltic States on Russian energy. Finally, he proposed voting on the report on 7 April at the last Committee meeting.

Agenda item 5

Economic Dialogue and exchange of views with Pierre Moscovici, Finance Minister of France

ECON/7/14351

This item was postponed and the Committee secretariat will try to rescheduled it for April.

Agenda item 6

Accession of Croatia to the Convention of 23 July 1990 on the elimination of double taxation in connection with the adjustment of profits of associated enterprises

ECON/7/14494 2013/0308(CNS)

Rapporteur: Mr Sławomir Nitras (PPE)

- Consideration of amendments

Mr ZALBA BIDEAIN (EPP, ES), on behalf of Mr NITRAS (EPP, PL), explained that the dossier was not problematic and that the shadow rapporteurs had agreed on the proposed draft.

Only one amendment had been proposed by the ECR and was considered acceptable by the rapporteur. The vote in the Committee took place the same day.

Vote in plenary: April II 2014

Agenda item 7

Common system of taxation applicable in the case of parent companies and subsidiaries of different Member States

ECON/7/14639 2013/0400(CNS)

Rapporteur: Ms Mojca Kleva Kekuš (S&D)

- Consideration of amendments

Ms KLEVA KEKUŠ (S&D, SI) reiterated the views expressed during the consideration of the draft report and noted that most amendments either complemented or opposed her text.

Mr KLINZ (ALDE, DE) and Mr STOLOJAN (EPP, RO) opposed amendments 6, 7, 10 and 11 that had been tabled by the rapporteur.

Despite some conceptual differences Ms KLEVA KEKUŠ decided to go ahead with the vote in the Committee, which took place the same day.

Vote in plenary: April II 2014.

Agenda item 8

Exchange of views with Mr. Joaquín Almunia, Commissioner for Competition

ECON/7/00334

Ms BOWLES (ALDE, UK) called on the Commission to engage in a full dialogue on competition and to issue its annual work programme in the area of competition in a timely manner to enable the European Parliament (EP) to plan its activities accordingly. She mentioned the good cooperation between the Commission and the EP on several legislative files but deplored the lack of sufficient codecision provisions for the EP on State aid. Additionally she proposed enhancing the EP's role in international competition agreements.

Commissioner ALMUNIA briefed the Committee on the current state of play in ongoing investigations and in several legislative files, as well as on the way ahead. He expected a swift agreement on the Private Damages Directive to promote a level playing field within the EU, to enhance enforcement and to compensate victims. He referred to the current challenges in the energy, financial, digital and telecom sectors and the need for further integration. He underlined the role of competition rules and of State aid guidelines in the repair of the financial sector and in the safeguard of taxpayers, as well as the Commission's readiness to act following the results of the forthcoming asset quality review and stress tests. He announced the forthcoming proposal on new State aid guidelines on energy and environmental aid to stimulate renewables and to contribute to the EU's energy and environmental targets. He also mentioned the adoption of guidelines for the aviation industry and the current work on guidelines on R&D and innovation, and on the Payments System Directive.

Several speakers thanked Commissioner ALMUNIA for the good institutional cooperation with the EP. They focused their interventions on the Google antitrust case and on the ongoing negotiations on multilateral interchange fees (MIFs) (Mr ZALBA BIDEGAIN -EPP, ES- and Mr TREMOSA I BALCELLS -ALDE, ES-) and on the need for further transparency in State aid matters and the independence of competition authorities (Mr SÁNCHEZ PRESEDO -S&D, ES-). Other MEPs asked questions about the concept of technology neutrality and the promotion of renewable energies (Mr EICKHOUT -Greens/EFA, NL-), on State aid guidelines for airports (Mr LANGEN -EPP, DE-), on the differences in competition and State aid provisions on bank resolution in countries inside and outside the banking union and on the role of the Commission (Ms FERREIRA -S&D, PT-), on the implementation of pre-bankruptcy settlements (Ms MALETIĆ -EPP, HR-), and on benchmarks (Ms McCARTHY -S&D, UK-)

Commissioner ALMUNIA noted that the EU had so far obtained more concessions from Google than the US, and expected to close the ongoing investigation before the end of the legislative term. He underlined the Commission's efforts to improve transparency regarding State aid guidelines in the financial sector and mentioned the incorporation of new guidelines into the modernisation package to improve awareness. He conceded that national authorities at times lacked the necessary degree of independence to comply with their obligations due to the absence of legal instruments at EU level and therefore proposed setting minimum requirements for the independence of national regulatory bodies.

Commissioner ALMUNIA stated that the mediator in the Google case had to be independent and prepare regular reports for the Commission to verify Google's compliance with the agreed commitments, and to address possible complaints.

He listed the main points of the newly adopted energy and environmental guidelines and said that a partial exemption of surcharges for certain sectors was being considered based on electro and trade intensity criteria. He referred to the absence of guidelines on nuclear energy and conceded that the concept of technological neutrality was difficult to implement in practical terms. He also reassured the Committee that the Commission would adopt the second package of energy and environmental guidelines on 9 April expected them to come into force in July.

He also mentioned the newly adopted guidelines for airports, which established clear standards on the compatibility of investment in airport infrastructure, underlining in the process the significance of the substitutability criteria of a particular airport in terms of connectivity.

He explained that the State aid rules for the banking sector applied to all Member States and that this level playing field had to be maintained after the completion of the banking union. He defended the Commission's exclusive competence on the implementation of State aid rules and believed that no decisions on resolution should be adopted before the Commission issued its position on State aid. Moreover, he disagreed with the envisaged three-hour limit for the Commission to intervene on a decision on the resolution of a bank.

He noted that State aid should always be involved in pre-bankruptcy settlements if public resources were involved and that competition policy was usually an *ex post* instrument since the Commission lacked the necessary resources to open *ex officio* investigations.

Agenda item 9

Public Hearing with Danièle Nouy, Chair of the Supervisory Board of the ECB

ECON/7/15318

Ms NOUY delivered the speech in ANNEX I, in which she reiterated her commitment to respecting the interinstitutional agreement between the European Central Bank (ECB) and the European Parliament (EP), delivered the state of play on the set-up of the Single Supervisory Mechanism (SSM) and the preparations of the comprehensive assessment of the EU banking sector, discussed the road ahead, and called for a swift agreement on the Single Resolution Mechanism (SRM) negotiations.

MEPs focused their interventions on bank supervision and the need to ensure the independence of the SSM board (Mr BALZ -EPP, DE-), on the quality of the upcoming asset quality review and stress tests, on the state of play of the SRM negotiations and the build-up of the resolution fund (Ms FERREIRA -S&D, PT-), on the possible split in the EU between euro area and non-euro area countries caused by the banking union (Mr KLINZ -ALDE, DE- and Mr ZÍLE -ECR, EE-), on the transparency of the SSM board (Mr GIEGOLD -Greens/EFA, DE-) and on potential conflicts of interests of the consultants involved in the comprehensive assessment of the EU banking sector.

Ms NOUY promised to share with the EP the rules on the separation of the monetary and supervisory competencies of the ECB once they were established, stressing however the need to reap synergies.

She supported a comprehensive assessment based on rigour, clarity, proportionality and transparency to enhance the credibility of the exercise, stressing that the appraisal of collateral was being currently defined and that it was vital to ensure a level playing field between large and small banks. She considered that the recruitment process for external consultants and auditors was beyond reproach; she explained that they would work under the leadership of the ECB and that national authorities had also received guidance on the matter. She promised to review the decision to send the minutes of the records of the proceedings of the Supervisory Board on a quarterly basis and to possibly deliver a list of the advisors recruited by the ECB and national supervisors. She added that it had been agreed with national authorities not to use advisors that had been in contact with the banks under scrutiny in the previous two financial years. She also mentioned close contacts with foreign supervisory authorities on the comprehensive assessment designed to rebuild confidence in the EU banking sector, and confirmed that the calendar for the comprehensive assessment was on track.

She called for a swift compromise on the SRM to deliver rapid and reliable decisions and mobilise credible and readily accessible funding. She said that as long as national compartments remained in the resolution fund, the sovereign-bank nexus would continue to affect the banking sector negatively; she therefore considered the ten-year transitional period for moving towards a single resolution fund too long, suggesting instead a five or three-year period without requiring the doubling of annual levies. She called for the creation of a common backstop to ensure equal treatment for all resolution cases during the transitional phase which would be repaid by all banks

from the countries affected by resolution. She said that all capital shortfalls resulting from the comprehensive assessment had to be addressed according to the taking order (private funds, national public backstops, solution at EU level, and possibly a direct recapitalisation fund).

Ms NOUY also felt that the executive board had to be entrusted with real powers in order to take decisions, and that it should be fully accountable to the plenary resolution board and the EU institutions. She defended close cooperation with the European Banking Authority (EBA) and between SSM and non-SSM home and host countries to prevent a split between the euro area and non-euro area countries. Lastly, she denied allegations about the ECB exerting pressure on banks to repatriate their assets from the City of London to the euro area.

Agenda item 10

Chair's announcements

Ms BOWLES (ALDE, UK) expressed her disappointment that the economic dialogue and exchange of views with the Finance Minister of France had been postponed for a fourth time. She said that the secretariat would try to reschedule the exchange of views for April. Mr LANGEN (EPP, DE) suggested not inviting the French Minister again during the current legislative term.

She also updated the Committee on ongoing trilogues and more specifically on the Single Resolution Mechanism, on Key Information Documents for Investment Products and on the Payment Accounts Directive.

Agenda item 11

Reconsultation of the Committee: (Rule 70 of the Rules of Procedure):

Amendment of Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanction (rapporteur: Sven Giegold)

ECON/7/12108

Ms JENSEN (ALDE, DK) proposed contemplating alternative trilogue formulas to the written procedure in order to improve transparency and efficiency. Mr GIEGOLD (Greens/EFA, DE) conceded that the written procedure was not always ideal or adequate and that it had been used by Member States to attempt to renegotiate with the European Parliament previous agreements on the text. The Committee decided to table the agreed text during the second April plenary session.

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

Agenda item 12

Deposit guarantee schemes (recast)

ECON/7/15295 2010/0207(COD)

Rapporteur: Mr Peter Simon (S&D)

- Adoption of draft recommendation for second reading

The draft recommendation was approved, with 39 votes in favour, 0 against and 0 abstentions.

Agenda item 13

Accession of Croatia to the Convention of 23 July 1990 on the elimination of double taxation in connection with the adjustment of profits of associated enterprises

ECON/7/14494 2013/0308(CNS)

Rapporteur: Mr Sławomir Nitras (PPE)

- Adoption of draft report

The draft report was approved, with 40 votes in favour, 0 against and 0 abstentions.

Agenda item 14

Common system of taxation applicable in the case of parent companies and subsidiaries of different Member States

ECON/7/14639 2013/0400(CNS)

Rapporteur: Ms Mojca Kleva Kekuš (S&D)

- Adoption of draft report

The draft report was approved, with 35 votes in favour, 1 against and 5 abstentions.

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

Agenda item 15 on the agenda

Public Hearing on The Transatlantic Trade and Investment Partnership (TTIP) and Financial Services Regulation

ECON/7/15319

This tem was not followed.

Agenda item 16

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

ECON/7/00024

Commissioner BARNIER delivered the speech in ANNEX II in which he called for the completion of the banking union and the negotiations on the Single Resolution Mechanism (SRM), for the wrap-up of several codecision files and for the adequate implementation of the level 2 measures of the Capital Requirements Directive (CRD IV).

MEPs from all political groups commended the work done by Commissioner BARNIER. They focused their interventions on the completion of the banking union and the need to ensure a good compromise (Mr LANGEN, -EPP, DE-, Mr BULLMANN -S&D, DE-, Ms GOULARD -ALDE, FR-, Ms FORD -ECR, UK- and Ms PODIMATA -S&D, EL-), on the negotiations on the creation of a single deposit guarantee fund, on the reform of the banking sector and of rating agencies, on the enhancement of the communication policy on delegated acts between the Commission and the European Parliament (EP), on bankers' bonuses and the need for the European Banking Authority (EBA) to address more thoroughly the payment and compensation structures being envisaged (Mr LAMBERTS -Greens/EFA, BE- and Mr GAUZÈS -EPP, FR-) and on Money Market Funds (MMFs) and the setting up of buffers on Constant Net Variable Asset funds (CNAVAs) (Mr SKINNER -S&D, UK-). Moreover MEPs considered that a bad deal on the SRM would be worse than no deal at all.

Commissioner BARNIER criticised deregulation and self-regulation and called for an alternative EU economic policy. Despite the complexity of the SRM set-up, he reiterated the need to complete the negotiations on the SRM as soon as possible and defended an EU mechanism with a faster pace for the fund's mutualisation. Moreover, he agreed with calls to limit the Council's mandate and proposed a Commission delegated act on the funding regime that respected the Bank Recovery and Resolution Directive provisions, ensured the credibility of the resolution fund and facilitated credit access in the early stages of its set-up. He said that ultimately it would be the banking sector that would foot the bill and promised to deliver an economic assessment soon on the impact of the new legislative architecture. Additionally he noted that the current mechanism made up of 28 national deposit guarantee schemes would suffice to protect deposits under EUR 100 000.

He explained that the reform of the banking sector should consist of EU legislation across the whole banking sector (big and small banks) and take into account the principle of proportionality.

Commissioner BARNIER mentioned the resourcefulness of the banking sector on allowances and acknowledged the EP's dissatisfaction regarding the negotiations on the substance of the European Market Infrastructure Regulation and on the work of the EBA, but rejected criticisms over the method and timeframe.

Commissioner BARNIER praised the EP for its role in the introduction of rules on bonuses on material risk takers and conceded that more could have been done. Nevertheless he claimed that the agreed qualitative and quantitative criteria made it difficult for risk takers affected by the legislation to escape it, and therefore called for the cooperation of the co-legislators to reach a swift agreement to avoid the use of national standards by Member States. He reassured the Committee that he had approached the EBA in February 2014 to address all national regulators and that the Commission and the EBA would react accordingly if EU law was sidestepped. Finally he noted that the Commission had not proposed the prohibition of CNAV's but instead a liquidity buffer.

Agenda item 17

Any other business

There was no other business.

Agenda item 18

Date of next meeting

The next meeting will be held in Brussels on 1 April 2014.

Speech by Ms Danièle Nouy, Chair of the Supervisory Board of the ECB

Madame Chair,

Honourable Members,

This is my first regular public hearing in ECON, in line with the Interinstitutional Agreement between the ECB and the European Parliament.

I am committed to apply the Interinstitutional Agreement in both letter and spirit so that the assignment of supervisory prerogatives to the ECB is matched with appropriate democratic accountability at the European level. This is essential to ensuring an efficient, effective and accountable European supervision to the benefit of European citizens.

At the same time, this is also the last regular public hearing on the SSM in this legislature. So let me thank you, Sharon, and the ECON Committee, for the decisive role you have played in the adoption of the SSM regulation and in the legislative process towards a fully-fledged banking union. I know that all throughout, there have been fruitful exchanges between you and the ECB. I am very much looking forward to continuing this trustful relationship with the next ECON Committee.

I would like to cover today the SSM preparations for taking on supervisory task, the comprehensive assessment and the challenges lying ahead for banking union.

SSM preparations are making good progress

Turning first to the SSM preparations – we are well on track.

Most of the senior managers have been appointed and progress is underway in recruiting about 800 supervisors. They are being provided adequate training on the processes and procedures. Moreover, the composition of the Joint Supervisory Teams or so-called JSTs, which are the cornerstone of the system, responsible for the operational supervision of significant credit institutions, is taking shape. It has been already specified how many ECB and national competent authorities resources will be allocated to each of them.

In parallel, the ECB is designing information management solutions to support the supervisory processes, in particular the work of the joint supervisory teams.

Good progress is being made to ensure strong and resilient connectivity with the seven national competent authorities which are not central banks.

The ECB will publish the Framework Regulation by 4 May 2014, following a public consultation that was recently closed. The consultation resulted in around 40 contributions, mostly from banking and market associations, financial institutions but also supervisory authorities, ministries of finance and non-euro area central banks. We are now reviewing the comments received and will prepare a feedback report that will be published at the same time as the Framework Regulation.

By now, we have largely developed the supervisory model of the SSM, which is reflected in the draft Supervisory Manual of the SSM. This manual covers the general principles, processes and procedures as well as the methodology for the supervision of significant and less significant institutions. It describes the procedures for cooperation within the SSM and with authorities outside the SSM. While the Supervisory Manual is an “internal SSM staff document”, we intend to prepare also a comprehensive public version.

The preparation of the SSM fee framework is also well on track. The public consultation is foreseen still in the first half of 2014, with the SSM Regulation on fees to enter into force before 4 November 2014.

The Supervisory Board is currently working on the Rules of Procedure and Codes of Conduct. The Rules of Procedure will, in particular, include the arrangements for Supervisory Board meetings. Codes of Conduct will address matters of conflict of interest. Although the SSM Regulation does not explicitly request a Code of Conduct for the members of the Supervisory Board, it refers to some ethical rules that will specifically apply to them, such as those concerning conflict of interests resulting from subsequent employment. In addition to the Code of Conduct for the members of the Governing Council and the Supplementary Code of Ethics Criteria for the members of the Executive Board, a separate Code of Conduct was adopted for the Supervisory Board to implement these requirements and to reflect the distinct nature of the Supervisory Board within the organisational framework of the ECB. The requirements for the Code of Conduct as regards ECB staff and management involved in banking supervision are also being examined. A proposal will be submitted in due course to the Supervisory Board and the ECB’s decision-making bodies, after a consultation of the Staff Representatives. Before adoption, the ECB will inform the ECON Committee on the main elements of the envisaged Code of Conduct in accordance with the Interinstitutional Agreement.

Work is also progressing on the implementation of the separation principle between the monetary policy and supervisory functions, as part of a general reflection involving all the relevant business areas within the ECB.

This should help in the drafting of internal rules regarding professional secrecy and information exchanges between the two functional areas.

The Supervisory Board has discussed the format of the Record of Proceedings, which has been finalised a few days ago (on 13 March), after approval by the Governing Council.

The transmission of the Records of Proceedings of the Supervisory Board to the ECON Committee of the European Parliament is a key element in building up the accountability framework, as foreseen in the Inter-institutional Agreement. The ECB aims at achieving the best possible balance between its transparency and accountability obligations, on the one hand, and the supervisory confidentiality constraints on the other.

After considering different options, the Supervisory Board decided that it would submit the records of proceedings on a quarterly basis to the European Parliament, together with the Quarterly Reports. It means that the proceedings relating to the meetings from January to March would be transmitted by the end of April.

But the Supervisory Board also decided that the record of proceedings would be provided to the European Parliament earlier, should the European Parliament ask for such transmission.

I am ready to use this possibility if you consider that a quarterly delivery is not adequate.

The Comprehensive Assessment is advancing at full steam

Turning to the Comprehensive Assessment. Before I give you the latest state of play, let me briefly recall its objectives and components. The goal of this exercise is threefold. First, foster transparency of banks' balance sheet. Second, repair balance sheets where needed by identifying and implementing necessary corrective measures. Third – as a result of the first two –, foster confidence in the banks among all stakeholders, which will contribute to the most needed revival of credit to the euro area economy.

Let me clearly stress that the Comprehensive Assessment will be rigorous. The AQR threshold is 8% Common Equity Tier 1 (CET1). For the stress test, in the baseline scenario the capital threshold is also 8% CET1, whilst in the adverse scenario the capital threshold is 5.5% CET1. These thresholds are higher than in the previous exercises and importantly, require a higher quality of capital than in the past. For past exercises the Core Tier 1 definition of capital was used, which is a less stringent capital definition than Common Equity Tier 1 (CET1). Please note furthermore that the stress test for the banks subject to the comprehensive assessment will incorporate capital requirements that may result from the AQR.

As a consequence of all this, the end result will be more demanding than in previous exercises.

The preparation and implementation of the Comprehensive Assessment are well on track. The selection of asset portfolios to be reviewed for the asset quality review has been completed. We are now proceeding to phase 2 of the AQR, which is the actual execution of the AQR. The AQR Phase 2 manual was published on 11 March, providing full details on the different building blocks of the AQR. This transparency further increases the credibility of the exercise and demonstrates its rigour and comprehensiveness.

To illustrate the scope and the comprehensiveness of the AQR, let me provide you with some figures. A total of around 760 banking book portfolios have been selected from the 128 banks in scope for a detailed examination. This examination will involve the review of approximately 135,000 credit files. We estimate that over 1000 auditing staff and independent specialist appraisers will be engaged, complementing the NCAs efforts. For all 128 banks, the banking book RWAs selected for the execution of the AQR amount to 3.72 trillion euros, representing 58% of the total credit RWA of all banks in scope.

The preparations for the EU-wide stress test exercise are near finalisation. A consultation has been launched as regards the stress test methodology and templates. The stress test methodology and the scenarios will be finalised and published in April 2014, thereafter the stress test exercise will be launched amongst all 128 banks.

The Comprehensive Assessment will help increase confidence and resilience of the EU banking sector. In turn, this will help the recovery of credit flow in the real economy. It cannot do this alone, however.

To further underpin the credibility of the exercise, we need solid and well-defined public backstops at the national and, as a last resort, at the European level. I call on Member States to honour the strong commitments they made and to have the necessary arrangements in place at the national level, including resolution mechanisms and public backstops, enabling them to respond promptly if needed to any vulnerability identified by the Comprehensive Assessment.

The road ahead for Banking Union

Let me now briefly discuss the road ahead for Banking Union. The SSM is a cornerstone of a larger project.

Looking at what has already been achieved, progress on banking union has been fast by historical standards and the European Parliament has largely contributed to this momentum.

Beyond the SSM, progress has been made in ensuring that investors, not taxpayers, will assume the consequences of a bank failing or risking to fail. In particular, the Bank Recovery and Resolution Directive is a very important contribution in this direction.

But we need to keep this momentum: the joint efforts and commitment of all relevant actors are needed to ensure that banking union is completed. At the national level, this will imply the swift and thorough transposition of agreed directives into national law. At the European level, it now requires completion of the legislative process on the SRM in this legislature to ensure that it is operational as soon as possible after the ECB assumes full supervisory responsibilities. To this end, all parties involved need to show a willingness to compromise with a view to establish by the end of the legislature a truly single resolution mechanism, with an effective governance, a single resolution fund and adequate common backstop arrangements. To put it in simple terms: when a house is on fire, the fire brigade should not have to wait until the city council has agreed on whether and how to intervene. It should be able to go out immediately when the fire has broken out. And just like an effective fire brigade needs access to water and reliable water hoses, the SRM needs ready access to a resolution fund to be able to conduct a resolution over one weekend.

Finally, let me emphasise that Banking Union has the potential to significantly contribute to the re-integration of financial and banking markets in Europe. While banking union is a key element of the Economic and Monetary Union, it is thus fully consistent with the objectives of the Single Market and is also important for non-euro area Member States. In this context, a shared system of supervision and resolution increases our capacity to address cross border linkages and strengthens our safety nets against banking crises.

Thank you for your attention. I am now looking forward to your questions.

Speech by Mr Michel Barnier, Commissioner for the Internal Market and Services

Mesdames et Messieurs les députés européens,

Je vous remercie de m'accueillir aujourd'hui pour faire le point sur les défis à relever par votre commission d'ici au renouvellement du Parlement.

Au début du mandat, nous nous sommes fixés ensemble des objectifs ambitieux pour tirer toutes les leçons de la crise financière. Je veux ici remercier tous celles et ceux parmi vous qui, par leur travail intense, ont rendu possible l'adoption de textes aussi nombreux que novateurs.

En quatre ans de travaux, la régulation du secteur financier est plus large, plus solide et plus efficace qu'elle ne l'a jamais été. Notre but qu'aucun marché financier, aucun acteur financier, aucun produit financier n'échappe à une régulation et une supervision efficaces est presque atteint.

Presque, car nous ne sommes pas au bout du chemin. Dans deux mois, les citoyens nous jugeront sur la crédibilité de la réponse que nous aurons apportée à leurs préoccupations. Nous avons fait face à une crise multiforme, aux conséquences directes dans les vies quotidiennes de nos concitoyens, bousculant à la fois notre économie dans sa structure et les secteurs d'activité qui en sont le moteur. D'autres crises peuvent venir, mais nous serons mieux outillés pour y faire face – que ce soit autorités publiques ou entreprises privées. Notre vigilance est nécessaire et liée tant à l'inventivité des marchés financiers qu'à la conjoncture que nous traversons, qui se caractérise par une liquidité et des dettes abondantes et des risques globaux pour la croissance.

Aujourd'hui, je voudrais vous parler franchement des chantiers relevant de votre commission qui doivent impérativement être conclus dans les semaines qui viennent. Ils sont au nombre de trois: (i) le mécanisme unique de résolution, (ii) l'accès à un compte bancaire de base et (iii) l'information aux particuliers concernant les produits d'investissement dits « packagés ».

Nous devons ensemble voir aboutir ces initiatives, qui sont fondamentales pour rétablir la confiance des citoyens dans le secteur financier et dans l'économie.

Je voudrais aussi vous indiquer quels dossiers doivent à mes yeux être poussés au maximum afin de reprendre le travail législatif dans les meilleures conditions après le renouvellement du Parlement, et aborder enfin la mise en œuvre des mesures de niveau 2 d'une de nos réalisations majeures, la CRD IV.

I – Une priorité absolue : l'union bancaire

Trouver un accord sur le SRM est notre priorité absolue. L'union bancaire ne pourra pas fonctionner correctement en l'absence d'un mécanisme unique de résolution bancaire qui fasse pendant à la supervision européenne.

[Si la résolution demeurerait nationale alors que la supervision est européenne, la résolution des défaillances bancaires continuerait d'incomber aux autorités nationales, perpétuant le lien entre les banques et les Etats.]

Nous disposons de suffisamment d'éléments pour parvenir à un accord équilibré entre les co-législateurs lors du trilogue de demain. Je voudrais passer en revue rapidement les principaux points qui seront débattus.

Sur le rôle des institutions européennes, je partage l'avis du Parlement qui considère la solution actuelle trop complexe et le rôle du Conseil trop important compte tenu du poids de la plénière dans la gouvernance du Board.

Le rôle du Conseil devrait être limité à un droit de veto, sur proposition de la Commission, dans deux cas:

Lorsque le Conseil considère que le dispositif de résolution proposé par le Board n'est pas dans l'intérêt public, et

Lorsque la Commission suggère d'utiliser un montant plus important du Fonds que celui proposé par le Board.

S'agissant de la gouvernance du Board, il faut que le dispositif assure une prise de décision rapide et efficace et un traitement identique de tous les cas de résolution. C'est pourquoi le rôle de la plénière doit être limité en rehaussant les seuils qui activent sa compétence.

S'agissant du financement du mécanisme, il est essentiel que nous mettions en place un Fonds de résolution unique crédible, ayant accès dès le premier jour à des ressources suffisantes.

Je soutiens donc la proposition de la Présidence de rapprocher la rédaction de l'article 69 du Règlement du texte du Parlement. Il s'agirait d'inscrire dans le règlement une obligation pour le Board de doter le Fonds des financements nécessaires.

Mesdames et Messieurs, vous connaissez ma position, et vous savez que je crois au sens de la responsabilité des co-législateurs.

Venons-en maintenant aux autres dossiers en suspens.

II – Finaliser le volet "consommateur" de notre action

Deux dossiers du volet "consommateur" de notre action sont encore au stade des trilogues. Il s'agit de KIDIP, et de la proposition de directive pour donner accès à tous les Européens à un compte de paiement de base.

S'agissant de KIDIP, même si un accord a été trouvé sur des points clés, tels que les investissements liés aux produits d'assurance, le format du document d'information ou les pouvoirs d'intervention de l'EIOPA, je suis convaincu que les questions en suspens peuvent être réglées lors du dernier trilogue, prévu après-demain.

Un accord politique n'est possible que si toutes les parties se montrent ouvertes: cela vaut tant pour le Conseil concernant les produits liés aux retraites que pour le Parlement s'agissant du label de 'complexité'.

Nous sommes également proches d'un accord sur la directive sur le compte de paiement de base. Je veux croire que le trilogue d'après-demain sera conclusif.

Je souhaite toutefois souligner que la condition mise par certains à l'ouverture d'un compte bancaire aux termes de laquelle le consommateur devrait prouver qu'il existe un lien entre lui et l'Etat Membre où il fait sa demande est en contradiction avec les principes fondamentaux de libre circulation.

Tout consommateur qui souhaite donc ouvrir un compte de base dans le seul but de profiter de ces libertés et avantages doit être autorisé à le faire. En revanche, si l'ouverture de ce compte était abusive, la banque aurait le droit de refuser. Je remercie le Parlement de soutenir l'approche de la Commission en la matière.

Par ailleurs, le Conseil a ajouté une clause permettant aux Etats Membres ayant déjà établi des mesures nationales non législatives de se considérer en conformité avec les exigences de la directive.

La Commission, tout comme le Parlement, considère qu'une telle clause est juridiquement difficile à accepter: un Etat Membre ne peut en effet transposer une directive par une mesure nationale légalement non contraignante.

Le Parlement a indiqué qu'il pourrait être plus flexible concernant certaines mesures en matière de transparence des frais et de changement de compte transfrontalier. Je vous en remercie.

III – Stabiliser les textes non finalisables

Pour d'autres textes que nous n'aurons pas le temps d'examiner en trilogue, l'obtention d'un accord en Plénière est fondamental afin de reprendre le travail législatif dans les meilleures conditions après le renouvellement du Parlement.

C'est le cas pour le paquet anti-blanchiment et ce grâce au vote de la semaine dernière. J'espère que ce sera aussi le cas lors de la première session plénière d'avril pour le paquet législatif sur les paiements, qui inclut la révision de la directive services de paiements et le règlement sur les commissions multilatérales d'interchange.

Ces textes pourraient alors être finalisés avant la fin de l'année.

D'autres dossiers ne peuvent ni être conclus sous ce mandat ni faire l'objet d'un accord en Plénière. Vu l'importance de la proposition sur les indices de référence [benchmarks], je comprends la décision de la commission ECON de reporter le vote à la prochaine législature. L'absence d'un consensus suffisant entre les groupes politiques ne permettrait pas d'envoyer un message fort sur ce sujet avant la prochaine législature. Je maintiens qu'un champ d'application large, conforme aux principes de l'IOSCO est essentiel afin d'assurer la solidité, la fiabilité et la continuité des indices de référence dans l'UE, ainsi que la sécurité juridique de leurs administrateurs et contributeurs. Je reste conscient de l'urgence de cette proposition et je suis déterminé à travailler avec le Parlement et le Conseil pour aboutir à un accord sur un texte ambitieux. La question du champ d'application est clé: je note que des risques similaires à ceux du LIBOR ont déjà été identifiés pour d'autres indices (par exemple les matières premières).

En ce qui concerne les fonds monétaires, comme le rapporteur Said El Khadraoui, je regrette que les différences d'opinion concernant le coussin de capital qui s'appliquera aux CNAV aient abouti à une situation de blocage. Sur le fond, je persiste à croire que notre proposition est équilibrée. Dans un souci d'apaisement, je suis prêt à accepter les amendements déposés par Jean-Paul Gauzès sur la mise en œuvre graduelle du coussin de capital (cinq ans au lieu de trois) et sur la clause de réexamen à mi-parcours (après trois ans).

IV – Assurer la mise en œuvre des mesures de niveau 2 de la CRD IV

La mise en œuvre de la CRD IV renforce la solidité du secteur financier européen tout en préservant le financement de l'économie réelle. Le paquet CRD IV est appliqué depuis le 1er janvier 2014. Tous les États membres sont activement engagés dans la transposition de la directive. Toutefois, une majorité d'États membres n'est pas parvenue à respecter l'échéance du 1er janvier 2014 fixée par la directive. Cela s'explique en partie par le délai assez exigeant de 6 mois qui avait été donné aux États membres pour se conformer à cette obligation. La plupart des États membres seraient cependant en mesure de transposer les nouvelles normes avant l'été.

Parallèlement, la Commission a finalisé et transmis une première série de normes techniques contraignantes élaborées par l'ABE. L'adoption de ces normes techniques est une étape importante pour une application cohérente dans l'ensemble de l'UE.

Les normes techniques de réglementation (RTS) approuvées par la Commission sont juridiquement cohérentes, équilibrées et conformes au mandat de la CRD IV. Les projets présentés par l'ABE, très solides, n'ont pas été modifiés par la Commission. Mes services ont tenu le Parlement informé autant que possible et se sont montrés disponibles en venant présenter les RTS et en débattre à la dernière réunion de votre commission comme à celle de vos coordinateurs.

J'insiste sur ce point: les services de la Commission ont transmis les projets de l'ABE au plus tôt, et ont transmis diligemment et dans les délais requis les informations dont ils disposaient sur les RTS en cours d'adoption.

Sur le fond, l'ABE et la Commission sont liées par le texte de niveau 1. Il n'est pas possible d'élargir - ou de réduire – le champ d'application de la CRD 4. Durant la procédure d'adoption des RTS, la Commission a accordé une attention particulière à ce que le texte de niveau 2 respecte entièrement le mandat et le champ d'application du texte de niveau 1.

C'est particulièrement le cas en matière de rémunération. Les normes techniques permettront d'identifier clairement les personnes qui sont effectivement visées par les nouvelles règles de l'UE relatives aux bonus, ce qui est indispensable si l'on veut éviter que ces règles ne soient contournées. Si le Parlement, ce dont je ne doute pas, ne s'oppose pas aux RTS proposés, nous pourrions publier les règlements délégués rapidement, obligeant les banques à mettre en œuvre les règles au plus vite. En l'absence des RTS, les banques auraient une excuse pour ne rien faire. Ne leur faisons pas ce cadeau !

Un mot sur ce qui attend la prochaine commission ECON. Le grand défi du début de la prochaine mandature sera que le Parlement s'empare rapidement du sujet de la réforme structurelle des banques.

Cette proposition est ambitieuse. C'est pour moi une clef de voute de la réforme de la réglementation du système bancaire européen. Elle concerne le petit nombre de très grandes banques qui, en l'absence de changements législatifs, pourraient être « trop grandes pour faire faillite » et pour lesquelles le sauvetage serait trop coûteux et la résolution en cas de défaillance trop complexe.

Des critiques ont pu se faire entendre, notamment d'Etats Membres ayant mis en place des réformes moins ambitieuses. Je veux être clair: notre proposition est soigneusement calibrée afin d'assurer l'équilibre délicat entre le maintien de la stabilité financière et la création de conditions propices à l'octroi de crédits à l'économie réelle. Je suis convaincu que Parlement ne se laissera pas brider sur ce sujet qui est particulièrement important pour la compétitivité et la croissance.

Plus largement, je considère que nous devons évaluer la cohérence d'ensemble et les effets économiques de notre programme de régulation financière, en mettant en particulier en évidence tout effet non désiré sur la croissance. C'est l'objectif de la revue économique de notre agenda de régulation financière sur laquelle nous sommes en train de travailler, et que nous devrions présenter en avril.

Je voudrais, pour conclure, vous annoncer que la Commission adoptera la semaine prochaine une communication sur le financement de long terme, en réponse au débat sur le financement de long terme de l'économie. Le Parlement a significativement contribué à ce débat – et je veux remercier ici en particulier M. Klinz pour son rapport, voté en février dernier.

Mesdames et Messieurs, chaque réforme, chaque résultat obtenu, chaque mesure en faveur de la croissance et de l'emploi, sont les fruits de nos efforts conjoints. Ils n'auraient pas été possibles sans l'esprit de coopération et le sens de l'intérêt européen dont votre Parlement fait preuve. Dans deux mois, nous présenterons aux électeurs un bon bilan, servi par une vision d'ensemble ambitieuse.

Je vous remercie.
