



**COUNCIL OF
THE EUROPEAN UNION**

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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 Strasbourg on 18 November 2013

The meeting was chaired by Ms BOWLES (ALDE, UK) and Mr ZALBA BIDEGAIN (EPP, ES).

Item 1 on the agenda

Adoption of the agenda

The agenda was adopted.

Item 2 on the agenda

Approval of the minutes of the meeting of 17 and 21 October 2013, PV – PV – PE522.793v01-00 and PV – PE521.848v01-00

The minutes were approved.

Item 3 on the agenda

Chair's announcements

Mr ZALBA BIDEAIN (EPP, ES) told the Committee that, according to Rule 216 of the Rules of Procedure of the European Parliament (EP), the draft corrigendum on the Capital Requirements Regulation would be submitted to the November plenary and deemed approved unless a request was made by a political group or at least 40 members to have the corrigendum put to the vote.

He also informed the Committee that on Wednesday 13 November the EP, the Council and the Commission had secured an agreement on the outstanding issues on the Omnibus II Directive and that the final amount of the financial envelope for the FISCALIS programme had been confirmed by written procedure following the agreement on the Multiannual Financial Framework (MFF) and that the application day remained 1 January 2014.

He also made several announcements on ongoing trilogues including the Markets in Financial Instruments Directive (MiFID), the Banking Recovery and Resolution Directive (BRRD), the Union programme to support specific activities in the field of financing reporting and auditing for the period 2014-2020, and the Market Abuse Directive and Regulation (MAD/MAR).

Item 4 on the agenda

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

Amendment to Directive 2009/138/EC on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) as regards the dates of transposition and application and the date of repeal of certain directives

Rapporteur: Ms Sharon BOWLES (ALDE)

Mr BALZ (EPP, DE) mentioned that the new application and implementation dates would be 1 January 2016 and 31 March 2015 respectively, and that the vote on Solvency II should take place in plenary on 21 November.

Mr BIDEAIN (EPP, ES) announced that the Council would approve the European Parliament's position immediately after its adoption in plenary in order to ensure the publication of the quick-fix tool before the end of 2013. Subsequently, the Committee was reconsulted and agreed to vote for the compromise between the Council and the European Parliament.

Item 5 on the agenda

EU-France Agreement concerning the application to the collectivity of Saint-Barthélemy of Union legislation on the taxation of savings and administrative cooperation in the field of taxation

ECON/7/13516 2013/0269(NLE)

Rapporteur: Mr Sławomir NITRAS(EPP)

- Exchange of views and possible proposal by the Chair to approve the legislative proposal without amendment - Rule 46(1) Simplified procedure

Mr NITRAS (EPP, PL) proposed approving the legislative proposal without amendments under the simplified procedure provided for in Rule 46 of the Rules of Procedure of the European Parliament. The report was adopted and will be tabled for vote in plenary in December.

Item 6 on the agenda

Amending Directives 2006/112/EC and 2008/118/EC as regards the French outermost regions and Mayotte in particular

ECON/7/13559 2013/0280(CNS)

Rapporteur: Mr David Casa (EPP)

- Exchange of views and possible proposal by the Chair to approve the legislative proposal without amendment - Rule 46(1) Simplified procedure

Mr CASA (EPP, MT) proposed approving the legislative proposal without amendments under the simplified procedure provided for in Rule 46 of the Rules of Procedure of the European Parliament. The report was adopted and will be tabled for vote in plenary in December.

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

Item 6 on the agenda

Amendment of Regulation (EU) No 99/2013 on the European statistical programme 2013-17

ECON/7/13440 2013/0249(COD)

Rapporteur: Mr Pablo ZALBA BIDEGAIN (EPP)

- Adoption of the draft report

The draft report was approved by a majority of votes.

Item 7 on the agenda

Payment accounts

ECON/7/12713 2013/0139(COD)

Rapporteur: Mr Jürgen KLUTE (GUE/NGL)

- Adoption of the draft report

The draft report was approved, with 42 votes in favour, 3 against and 0 abstentions.

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

Item 8 on the agenda

Uniform rules and procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Bank Resolution Fund

ECON/7/13435 2013/0253(COD)

Rapporteur: Ms Elisa FERREIRA (S&D)

- Consideration of amendments

Ms FERREIRA (S&D, PT) announced that the vote in the Committee would take place on 5 December prior to the general position of the Council. She stressed the broad agreement on the legal base of the proposal, on the community nature and composition of the Single Resolution Board (SRB), on the need for additional clarity on resolution triggers as well as on fewer financial implications for Member States. She underlined the close link between the Banking Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanism (SRM), called for a level playing field to safeguard the internal market and underlined the narrow margin of manoeuvre of individual Member States in the context of the SRM. She also identified some contentious issues such as the scope of the proposal, the voting modalities and weight in the SRB, the build-up of the Single Resolution Fund (SRF) and the nature of the backstop. She backed a fund financed by the industry with access to a credit line in its initial stage and explained that she was still waiting for a compromise between the European Parliament (EP) and the Council on the bail-in hierarchy and resolution triggers.

Most speakers called for coherence between the related legislative files and for more democratic accountability towards the EP on the decisions taken by the SRB and on the selection procedure for the Executive Director and Deputy Executive Director of the SRB. However, divergences arose on some issues including those mentioned by the rapporteur in her introductory remarks.

Ms WORTMANN-KOOL (EPP, NL) called for consistency between the Single Supervisory Mechanism (SSM), the BRRD and SRM mainly on the scope, resolution triggers and the bail-in hierarchy. She wanted the SRB to be a community instrument which would respect the fiscal sovereignty of Member States. She recommended fine-tuning the balance between participating and non-participating countries; supported the rapporteur's proposal on the composition of the SRB, and endorsed voting rights for the European Central Bank (ECB) in the SRB.

Mr KLINZ (ALDE, DE) agreed as well with calls for coherence between the BRRD and the SRM on the bail-in hierarchy but expressed doubts about the Commission's role in the SRB since it lacked democratic legitimacy. He claimed that there should be a differentiation in the voting rights of home and host countries and was convinced that the scope should be confined to systemic banks with the remaining banks left under the responsibility of national resolution authorities.

Mr GIEGOLD (Greens/EFA, DE) believed that liability provisions should be identical in the BRRD and SRM and proposed to remove all elements from the BRRD that were present in the SRM to enhance clarity and coherence. Unlike Mr KLINZ, he wanted all banks to fall under the scope of the SRM due to the lack of regulatory practice of many national resolution authorities and therefore backed a strong community resolution body to protect taxpayers and depositors. He also asked when the Commission would come forward with a draft regulation for the levy and under what circumstances the EU budget could be considered as a guarantee.

Mr KAMALL (ECR, UK), on behalf of Ms FORD (ECR, UK), proposed to address the effects of resolution on non-participating countries and to include them in resolution matters. Moreover, he was convinced that each host country should have one vote and that the Commission proposal was unbalanced in this respect. He also suggested applying the EU state aid regime to the Commission and to the SRB and voiced concerns about the excessive concentration of power in the ECB.

Ms BOWLES (ALDE, UK) recommended addressing the compatibility between state aid and resolution funds at EU level to ensure an EU-wide level playing field on state aid and to set provisions on subsidiaries in non-participating countries to avoid fragmentation.

Mr SIMONS (S&D, DE) preferred supervision and resolution to be kept at the same level and therefore for small banks under national supervision to be subject to national resolution. He called for short payment deadlines (7 working days for payment to the depositors) and claimed that resolution measures should include provisions under the Deposit Guarantee Scheme (DGS).

Ms HUBNER (EPP, PL) suggested dealing with the problems arising from local supervision and central resolution and from potential duplication of resolution plans. Moreover, she felt it was indispensable to avoid situations of double contribution (at national and EU level) by banks.

The Commission representative agreed with calls to ensure consistency between the BRRD and the SRM including home/host issues. He reassured the Committee that host countries would be involved in all decisions referring to the subsidiaries established in their territories but warned against multiplying the instances where they had a say. He said that it was not possible from a legal perspective to delete all BRRD elements in the SRM proposal; that the Commission regulation on levies would be ready once the Commission had finalised the level 1 text and that the levy imposed on banks would be risk-based. Finally, he mentioned that the legal basis of the proposal did not allow for a backstop guaranteed by the EU budget or by an intergovernmental entity such as the European Stability Mechanism (ESM).

Ms FERREIRA noted that the bail-in hierarchy was the same as in the BRRD, that the role of the EP was established in parallel with the SSM, and that the balance between participating and non-participating countries was resolved in the BRRD. She acknowledged the limits of a nationally-based DGSs with a national budget-based backstop. She was cautious about committing DGSs into any sort of action that would jeopardise their capacity to pay back the minimum level of deposits due to the absence of provisions on a common DGS in the BRRD discussions. She noted that, as long as this situation prevailed, it would be advisable not to rely too much on DGSs. She reiterated her preference for a wide scope, for the resolution authority to rely on a plausible resolution fund to break the link between 'sovereigns' and banks and for a community instrument instead of an intergovernmental one.

Vote in ECON: 5 December 2013.

Item 9 on the agenda

Any other business

No other business was discussed.

Item 10 on the agenda

Next meeting

The next meeting will be held in Strasbourg on 21 November 2013.