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EF 308  
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## "I" ITEM NOTE

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From: General Secretariat of the Council  
To: Permanent Representatives Committee (Part 2)  
Subject: Proposal for a Regulation of the European Parliament and of the Council on reporting and transparency of securities financing transactions (First Reading)  
*- General approach*

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### I. INTRODUCTION

1. On 29 January 2014 the Commission transmitted to the Council its proposal for a Regulation of the European Parliament and of the Council on reporting and transparency of securities financing transactions ("SFT Regulation")<sup>1</sup>. This proposal was presented together with the proposal for a Regulation of the European Parliament and of the Council on structural measures improving the resilience of EU credit institutions<sup>2</sup>.
2. The SFT Regulation will increase the transparency of securities financing markets, thus enhancing financial stability, by ensuring that information on SFTs is efficiently reported to trade repositories and investors in collective investment undertakings.

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<sup>1</sup> Doc. 6020/14 EF 38 ECOFIN 98 CODEC 284 + ADD 1.

<sup>2</sup> Doc. 6022/14 EF 39 ECOFIN 99 CODEC 285 + ADD 1 to ADD 4.

3. Owing to the enhanced transparency on SFTs, the Regulation will also prevent financial intermediaries, incl. banks, from attempting to circumvent regulation by shifting parts of their activities to the less-regulated shadow banking sector.
4. The ECON Committee of the European Parliament is expected to vote its report in March 2015. The European Economic and Social Committee<sup>3</sup> and the European Central Bank<sup>4</sup> delivered their opinions on 9 July and 11 July 2014 respectively.

## II. STATE OF PLAY

4. Following the last meeting of the Working Party on 27 October 2014, broad agreement has been reached on the text of the Presidency compromise as set out in document 15424/14 EF 309 ECOFIN 1043 CODEC 2227.

## III. CONCLUSION

9. Against this background the Permanent Representatives Committee is invited to:
  - agree the general approach with regard to the proposed Regulation, as set out in document 15424/14 EF 309 ECOFIN 1043 CODEC 2227;
  - request the Presidency to conduct negotiations with the European Parliament on the basis of the agreed general approach with a view to reaching an agreement at first reading.

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<sup>3</sup> Doc. 11829/14 EF 200 ECOFIN 746 CODEC 1124

<sup>4</sup> Doc. 11921/14 EF 201 ECOFIN 749 CODEC 1631