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2017/0326 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**amending Regulation (EU) No 1093/2010 as regards the location of the seat of the
European Banking Authority**

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

The European Banking Authority (EBA) has been established by Regulation (EU) No 1093/2010. In accordance with Article 7 of that Regulation, EBA is located in London, United Kingdom.

On 29 March 2017 the United Kingdom notified to the European Council its intention to leave the Union, pursuant to Article 50 of the Treaty on European Union.

On 20 November 2017, the 27 remaining Member States, in the margins of the General Affairs Council (Article 50), selected Paris, France, as the new seat for the European Banking Authority.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The act to be amended being based on Article 114 of the Treaty on the Functioning of the European Union ("TFEU"), the amending act should equally be founded on that basis.

- **Choice of the instrument**

This proposal seeks the amendment of Regulation (EU) No 1093/2010. The corresponding amendment is therefore proposed as an amending Regulation.

- **Subsidiarity and Proportionality**

The issue of the location of the seat of the Agency falls within the exclusive competence of the Union. The measure is proportionate to the purpose of the proposed Regulation, namely to confirm the new seat of the Agency within Regulation (EU) No 1093/2010.

3. BUDGETARY IMPLICATIONS

The relocation of the European Banking Authority will have budgetary implications, in particular in view of the costs related to the early termination of its current rental contract in London as a consequence of the withdrawal, the costs related to the move itself and the costs related to the installation in the new premises in Paris. As set out in the negotiation directives of the Council of 22 May 2017 for the negotiation of an agreement with the United Kingdom setting out the arrangements for its withdrawal from the European Union, the United Kingdom should fully cover the specific costs related to the withdrawal process, such as the relocation of the agencies based in the United Kingdom.

Some of the relocation costs may have to be pre-financed by the EU budget, prior to the financial settlement. In this respect, the Commission will assess possible additional funding needs to be channelled through the EU budget in cooperation with the European Banking Authority. As necessary, the Commission will present relevant proposals to the European Parliament and the Council in the context of the annual budgetary procedure for 2019, and if necessary for 2018. This concerns for instance the costs related to the move itself. In addition, the costs related to the installation in the new premises will also be presented in the context of

the building procedure set out in Article 203 of the Financial Regulation¹, which requires prior approval from the European Parliament and the Council before contracts related to building projects are concluded. This procedure is expected to be launched as soon as possible (at the latest in early 2018).

¹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank²,

Having regard to the opinion of the European Social and European Committee³,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) In the context of the United Kingdom's notification on 29 March 2017 of its intention to leave the Union, pursuant to Article 50 of the Treaty on European Union, the other 27 Member States, meeting in the margins of the General Affairs Council ('Article 50'), selected Paris, France, as the new seat of the European Banking Authority.
- (2) Having regard to Article 50(3) of the Treaty on European Union, the European Banking Authority should take its new seat as from the date on which the Treaties cease to apply to the United Kingdom or from 30 March, 2019, whichever is the earlier.
- (3) To ensure the proper functioning of the European Banking Authority in its new location, a headquarters agreement should be concluded before the European Banking Authority takes up its new seat.
- (4) To give the European Banking Authority sufficient time to relocate, this Regulation should enter into force as a matter of urgency.
- (5) Regulation (EU) No 1093/2010 of the European Parliament and of the Council⁴ should therefore be amended accordingly,

² [...]

³ [...]

⁴ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

HAVE ADOPTED THIS REGULATION:

Article 1

Article 7 of Regulation (EU) No 1093/2010 is replaced by the following:

“Article 7

Seat

The Authority shall have its seat in Paris, France.”

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

This Regulation shall apply from the date on which the Treaties cease to apply to the United Kingdom or from 30 March 2019, whichever is the earlier.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President