



10.3.2017

NATIONAL PARLIAMENT REASONED OPINION ON SUBSIDIARITY

Subject: Reasoned opinion by the Swedish Parliament (Riksdag) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements and amending Regulation (EU) No 648/2012 (COM(2016)0850 – C8-0480/2016 – 2016/0360(COD))

Under Article 6 of the Protocol (No 2) on the application of the principles of subsidiarity and proportionality, national parliaments may, within eight weeks of the date of transmission of a draft legislative act, send the Presidents of the European Parliament, the Council and the Commission a reasoned opinion stating why they consider that the draft in question does not comply with the principle of subsidiarity.

The Swedish Parliament has sent the attached reasoned opinion on the aforementioned proposal for a regulation.

Under Parliament's Rules of Procedure, the Committee on Legal Affairs is responsible for compliance with the subsidiarity principle.

Official Communication from the Riksdag 2016/17:155

The President of the European Parliament
The President of the Council of the European Union
The President of the European Commission

I hereby submit the Riksdag's reasoned opinion as shown in Annex 2 to the attached report and would inform you that the Riksdag has today approved the proposal of the Committee on Finance for a Riksdag Decision in Report 2016/17:FiU38, Assessment in the light of the principle of subsidiarity of the Commission proposal for amendments to the Regulation on supervision and the Directive on capital requirements.

Stockholm, 1 March 2017

Urban Ahlin

Claes Mårtensson

Reasoned opinion of the Swedish Parliament (Riksdag)

The Riksdag has examined the Commission's proposal for a regulation of the European Parliament and of the Council amending the regulation on requirements regarding the supervision of credit institutions and investment firms ('supervision regulation') (COM(2016) 850) and the Commission's proposal for amendments to the directive on capital requirements (COM(2016) 854).

The Riksdag has an essentially positive attitude to continued efforts to strengthen the financial system in the EU and to maintain financial stability.

However, the Commission's proposed amendments contain provisions that limit the risks that an institution's capital base should cover at any given point in time. Pillar 2 serves as a supplement to the detailed capital requirements regulations as regards both calculations and quantitative levels, i.e., the minimum requirements under Pillar 1. The purpose of Pillar 2 is also to identify and assess risks that are not taken into account at all, or fully, by the minimum requirements. This could mean that further requirements - Pillar 2 requirements - are added to the requirements under Pillar 1. The Commission's proposed amendments regarding the Pillar 2 provisions mean, inter alia, that the Pillar 2 requirement can no longer be imposed to cover systemic or macro-prudential risks, which is currently allowed.

The Riksdag considers that the proposed limitations reduce the Member States' flexibility as regards dealing with identified systemic and macro-prudential risks. In some respects, therefore, the proposed amendments have the character of fully-harmonised rules. If an institution has an excessively low level of capital in relation to the risks that the institution is exposed to or exposes the financial system to, there may be major consequences for public finances and the economy as a whole. Thus the Member States must have the possibility, at the national level, to take the measures that are deemed justifiable to secure financial stability in their own country.

The Riksdag would like to stress that the Member States' possibility and right to take further measures with the aim of securing financial stability in their respective countries must be safeguarded. The size of the financial sector in relation to the economy varies between Member States, and the countries can also be at different stages of the economic cycle. If a Member State has a relatively large financial sector - which is the case with Sweden - this means that the Member State runs a potentially greater risk of disturbances to financial stability in times of unease in the financial markets. Therefore the competent national supervisory authorities should be able to take into account systemic and macro-prudential risks to a sufficient extent in order to be able to ensure financial stability in their respective countries. It is especially important that the Member States are able to take into account systemic and macro-prudential risks in Pillar 2, in view of the fact that it is the Member States themselves that must bear the costs to the economy as a whole and to public finances if an institution fails or in the event of a financial crisis.

The Riksdag considers that the Commission's proposed amendments regarding limitations to the possibility under Pillar 2 of taking into account systemic or macro-prudential risks conflict

with the principle of proportionality.