Question for written answer E-000428/2016
to the Commission
Rule 130
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Subject: Shadow banks and financial services provided by non-specialist firms

Banks are trading less and less in corporate bonds. According to calculations by the Royal Bank of Scotland, the liquidity of the US corporate bond market has fallen by 89% since 2007. The financing shortfall this has created is increasingly being met by shadow banks, which have less resilient balance sheets than regular banks and generally less incentive to take measures to offset exchange rate fluctuations in the interests of their customers. A growing number of firms from outside the financial sector are also offering online payment services.

1. How will the Commission create a reliable regulatory framework for shadow banks?

2. High-frequency traders react to short-term market developments, whereas conventional investment funds rebalance their portfolios in response to longer-term trends. What regulatory measures does the Commission regard as necessary to reconcile these two approaches and stabilise the financial markets?

3. Apple and Google are making online payment services available. What measures will the Commission introduce to make these services more secure and regulate them more effectively?