



EUROPEAN PARLIAMENT

2014 - 2019

Committee on Economic and Monetary Affairs

2014/2040(BUD)

5.9.2014

OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Budgets

on the Council position on the draft general budget of the European Union for the financial year 2015
(2014/2040(BUD))

Rapporteur: Nils Torvalds

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SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the preference of the Commission to put strong emphasis on innovation, competitiveness, growth and jobs by making subheading 1.1 – which covers key policies to promote positive developments in those fields – highly prioritised in its draft budget;
2. Recalls that the European Parliament has strongly supported and very actively contributed to the creation of the European Supervisory Authorities (ESAs) and believes that the Union needs to further improve the quality of supervision across the Union; believes that, besides the ECB, the ESAs are a cornerstone of fully functioning financial markets in the Union and are essential for the economic recovery and the creation of jobs and growth in Europe, as well as for the prevention and handling of future crises in the financial sector;
3. Bearing in mind the Europe 2020 targets and the aims of stimulating economic growth and development and resolving the problem of unemployment, especially among young people, calls on the Commission to lay emphasis in the partnership agreements with Member States and in operational programmes upon development projects and drivers of growth, one such measure being to open up sources of financing to small and medium-sized enterprises, thereby channelling budget resources with a view to bringing about an innovative, creative, and competitive Europe;
4. Given that the European Semester was established for the purpose of coordinating the Member States' economic policies at EU level and that, to that end, the Commission produces a detailed analysis of their economic and structural reform programmes and issues recommendations agreed with them, believes that, as the European Semester proceeds, Member States can learn from each other's experiences, enabling them to reach the targets more quickly and to more successful effect; considers it important, therefore, that the EU budget be used to promote human capacity-building programmes through which to exchange knowledge and experience related to public finances, the financial system, structural reforms, employment, and social policy; calls on the Commission, together with the Member States, to encourage investment in analysis and scientific research and innovation in the above areas and the exchange of knowledge and experience through projects financed under European structural and investment funds;
5. Given that sound financial management is central to the implementation of the EU budget as well as of national budgets, since it increases the effectiveness of expenditure, reduces the possibility of error and fraud, and enhances budget transparency, considers it important that the EU budget be used to promote programmes aimed at developing the Member States' statistical, reporting, and accounting systems, auditing and supervisory procedures, and the enforcement of financial management and control systems; calls on the Commission, therefore, to make rapid and effective use of the Anti-Fraud Information System (AFIS) and the European statistical programme (ESP) and, in cooperation with the Member States, to channel European structural and investment funding towards capacity building and the exchange of knowledge and experience among Member States in the field of financial management and reporting;

6. Bearing in mind that recommendations to Member States for the purposes of the European Semester relate most often to strengthening of the tax collection system, the prevention of tax evasion, sound revenue management, and the calculation of tax expenditures, the main object being to enhance competitiveness, which implies a need for a stable, predictable tax system and for better management and greater efficiency in the existing tax system, considers it essential for Member States to exchange knowledge and experience in the field of tax administration; calls on the Commission, therefore, to make rapid and effective use of the Fiscalis and Hercules III programmes and, in cooperation with the Member States, to channel European structural and investment funding towards capacity building and the exchange of knowledge and experience among Member States with a view to achieving a high standard of tax policy implementation;
7. Stresses that the additional tasks entrusted to the ESAs, in particular the monitoring of proper implementation of new EU law and compliance with new legal acts and the new mandates stemming inter alia from the banking union legislation, as well as future tasks envisaged in tabled legislative proposals, will require appropriate budgetary means in order to fulfil their supervisory and regulatory role as provided for in the ESA regulations;
8. Expresses therefore its concerns with respect to the Commission proposal for a considerable decrease in appropriations for the three ESAs, in comparison to their respective budgets for 2014 as well as the Commission proposal to keep the number of establishment plan posts of the ESAs stable at the level of 2014 in 2015; cannot see any reasonable logic in the Commission's approach in this case of reducing the budgets of authorities placed in the "new tasks" category;
9. Regrets that the Council has chosen the same overly restrictive line as the Commission regarding the appropriations for the ESAs;
10. Stresses that the ESAs need the appropriate human resources in order to fulfil their supervisory and regulatory role in a satisfactory manner; underlines that increases in human resources should always be preceded and/or accompanied by rationalisation efforts such as reallocation to achieve efficiency gains; points out that such rationalisation must not affect cooperation with scientific institutions, the conduct of research and analysis, or education and training and that, on the contrary, investment and the number of activities in these areas need to be increased; points out that the ESAs have difficulties in employing staff members of a certain seniority and are restrained from fulfilling their mandates by the fact that staff and other available resources do not reflect the tasks required to be carried out, in particular the highly resource-intensive and time-constrained work of delivering the single rulebook;
11. Maintains that, in the short term, the three ESAs can and must substantially boost their human capacity, quantitatively and qualitatively, so as to ensure that they perform all the tasks assigned to them under the regulations;
12. Notes that the Chair, Executive Director and the members of the Board of Supervisors and Management Boards should be in a position to act independently, objectively and in the interest of the Union as a whole; considers that compulsory contributions of the competent authorities of the Member States could conflict with the independence of the ESAs; believes that the current financing arrangements of the ESAs based on a mixed and

nationally oriented financing system have not been fully utilised and do not allow enough flexibility for periods of high short term need that will not be necessary on an on-going basis which would be best filled by seconded national experts;

13. Calls therefore on the Commission, if proven by the Commission's assessment, to propose a financing system by 2017 that:
 - is solely based on the introduction of fees by market participants, or
 - combines fees by market participants with basic funding from a separate budget line in the general EU budget;
14. Stresses, in this context, that such a new financing system must be designed in a way which fully safeguards the integrity of the ESAs vis-à-vis the actors in the financial sector;
15. Underlines that it is crucial, not least for the enhancement of the coordinated fight against tax fraud and evasion, that the Fiscalis 2020 programme gets off to a good start; notes that the relatively modest appropriations proposed by the Commission in this area could be seen as acceptable; stresses, however, that the reductions from the Commission level suggested by the Council could undermine planned Fiscalis 2020 activities and should therefore not be accepted;
16. Emphasizes that the resources allocated to statistics must continuously reflect the heavy workload and high quality demands in this policy area, not least when it comes to the delivery of crucial economic and financial data; stresses that the relevant appropriations in the 2015 budget must not be any smaller than what has now been proposed by the Commission; disagrees, therefore, with the Council line of taking key appropriations down from the Commission level;
17. Calls therefore upon the Commission to consider within the course of the wider review of the ESAs, how to allow more flexible employment conditions within the ESAs that are best able to include the considerable expertise of supervisors within Member States on a temporary basis, as well as encourage recruitment of high quality staff on a permanent basis;
18. Recalls the need to further ensure funding for capacity building of civil society in the field of financial services;
19. Welcomes the first steps towards the reform of EFRAG, but highlights the need to fully implement the Maystadt recommendations, including the demand to limit its work to IFRS standards and to phase out its work on small and medium size enterprises and on tax matters;
20. Considers it vital to maintain the funding of Eurostat at the level proposed by the Commission.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	3.9.2014
Result of final vote	+: 41 -: 13 0: 3
Members present for the final vote	Gerolf Annemans, Burkhard Balz, Hugues Bayet, Pervenche Berès, Udo Bullmann, Esther de Lange, Fabio De Masi, Anneliese Dodds, Markus Ferber, Jonás Fernández, Sven Giegold, Neena Gill, Sylvie Goulard, Roberto Gualtieri, Brian Hayes, Danuta Maria Hübner, Othmar Karas, Georgios Kyrtsos, Alain Lamassoure, Philippe Lamberts, Werner Langen, Bernd Lucke, Olle Ludvigsson, Ivana Maletić, Notis Marias, Costas Mavrides, Bernard Monot, Luděk Niedermayer, Patrick O'Flynn, Stanisław Ożóg, Dimitrios Papadimoulis, Sirpa Pietikäinen, Dariusz Rosati, Alfred Sant, Molly Scott Cato, Peter Simon, Theodor Dumitru Stolojan, Kay Swinburne, Paul Tang, Sampo Terho, Ramon Tremosa i Balcells, Ernest Urtsun, Marco Valli, Cora van Nieuwenhuizen, Johan Van Overtveldt, Jakob von Weizsäcker, Steven Woolfe, Pablo Zalba Bidegain, Marco Zanni, Sotirios Zarianopoulos
Substitutes present for the final vote	Philippe De Backer, Bas Eickhout, Doru-Claudian Frunzuliță, Ildikó Gáll-Pelcz, Marian Harkin, Ramón Jáuregui Atondo, Thomas Mann, Siegfried Mureșan, Tibor Szanyi, Antonio Tajani, Nils Torvalds