



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

A7-0343/2013

22.10.2013

REPORT

on recovery and resolution framework for non-bank institutions
(2013/2047(INI))

Committee on Economic and Monetary Affairs

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on recovery and resolution framework for non-bank institutions (2013/2047(INI))

The European Parliament,

- having regard to the consultative report of July 2012 by the Committee on Payment and Settlement Systems (CPSS) and the International Organisation of Securities Commissions (IOSCO) entitled ‘Recovery and resolution of financial market infrastructures’,
- having regard to the CPSS-IOSCO consultative report of August 2013 entitled ‘Recovery of financial market infrastructures’,
- having regard to the reports of July 2013 by the International Association of Insurance Supervisors (IAIS) entitled ‘Global Systemically Important Insurers: Initial Assessment Methodology’ and ‘Global Systemically Important Insurers: Policy Measures’,
- having regard to the publication of 18 July 2013 by the Financial Stability Board entitled ‘Global systemically important insurers (G-SIIs) and the policy measures that will apply to them’¹,
- having regard to the consultative report of August 2013 by the Financial Stability Board entitled ‘Application of the Key Attributes of Effective Resolution Regimes to Non-Bank Financial Institutions’,
- having regard to the consultation carried out by the Commission’s services on a possible recovery and resolution framework for financial institutions other than banks,
- having regard to Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR)²,
- having regard to the Commission’s proposal for a Regulation of the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories (CSDs) and amending Directive 98/26/EC (CSDR),
- having regard to the Commission’s proposal for a directive of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (COM(2012)0280) (BRRD), and the report of the Committee on Economic and Monetary Affairs thereon³,
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Economic and Monetary Affairs (A7-0343/2013),

¹ http://www.financialstabilityboard.org/publications/r_130718.pdf

² OJ L 201 27.7.2012, p. 1-59.

³ A7-0196/2013.

- A. whereas assessments of financial market infrastructure are now included in the IMF's and World Bank's financial sector assessment programmes;
- B. whereas effective recovery plans and resolution tools are crucial for improving the stability of the non-bank financial sector globally;
- C. whereas financial market infrastructures are organised along widely differing lines; whereas to facilitate the formulation of appropriate plans for recovery and, above all, resolution, it is necessary to make a distinction between them based on organisational complexity, geographical scope and business model;
- D. whereas while EMIR and CSDR aim to reduce systemic risk through well-regulated market infrastructure, there is a possibility of unintended consequences;
- E. whereas while mandatory central clearing contributes positively to decreasing the overall systemic risk of financial markets, it has also increased the concentration of systemic risk in CCPs, recalling that all CCPs are systemically important in their own markets;
- F. whereas the largest clearing members typically participate in more than one CCP, so that if one CCP fails others are also likely to face difficulties;
- G. whereas multiple failures of CCP members will have devastating consequences not only for financial market participants but for the societies concerned as a whole;
- H. whereas the rationale for using a CCP is to reduce counterparty risk by correctly margining products before offering to centrally clear them so that the default of any counterparty does not affect the rest of the market;
- I. whereas risk management processes show that CCPs reduce counterparty risk and uncertainty and prevent contagion;
- J. whereas EMIR does not fully address the risks arising from a CCP wrongly assessing the margin requirements for a whole product class;
- K. whereas CCPs have incentives to apply lower margins, particularly when entering new products or asset classes, in order to attract custom; whereas the effectiveness of default funds segregated by product or asset class is yet to be assessed;
- L. whereas the risks of cross-margining of products (portfolio margining) using ringfencing of assets within the default fund of a CCP are untested, and, therefore, while reducing collateral demand in the short term may reduce costs, the use of cross-margining should not jeopardise the ability of a CCP to correctly manage risk and should recognise the limitations of VaR analytics;
- M. whereas one of the key benefits that clients derive from the clearing member lies in their provision of a firewall against counterparty risk in relation to both the CCP and other clearing members;
- N. whereas the EU's ICSDs are globally systemically important institutions as facilitators of the Eurobond market and currently operate with banking licences;

- O. whereas central clearing has increased the need for collateral management and related services which are now being performed by CSDs as well as custodian banks;
 - P. whereas the impending introduction of Target2Securities has caused CSDs to explore new services;
 - Q. whereas standard insolvency regimes will not provide a complete framework for treatment of client assets should a CSD fail without implementation of the Securities Law Legislation;
 - R. whereas the IAIS reported in July 2013 on ‘Globally Systemic Insurance Institutions’ and concluded that, while the traditional insurance business model has proven considerably less fragile in financial crises than that of banks, nevertheless, large, highly interconnected cross-border insurers, especially those that have significant activities outside traditional underwriting such as credit and investment guarantees, can pose a significant systemic risk; whereas on the basis of the IAIS assessment method the FSB has identified nine large insurers as being systemic, of which five are headquartered in the Union;
 - S. whereas while the systemic risk of an asset manager failing is not as pronounced as for critical market infrastructure, as asset managers’ business models evolve they could become more systemically important, a factor which has been addressed in FSB work on shadow banking;
1. Calls on the Commission to prioritise recovery and resolution of CCPs and of those CSDs which are exposed to credit risk, and, when considering whether it is appropriate to develop similar legislation for other financial institutions, to differentiate appropriately between each type, giving due consideration to those which have the potential to pose systemic risks to the economy;
 2. Emphasises the importance of EU legislation following internationally agreed principles, as agreed in CPSS-IOSCO, FSB and IAIS;
 3. Stresses the importance of clear provisions for a ‘ladder of intervention’ in any recovery provisions for non-bank financial institutions under which competent authorities monitor appropriately designed indicators of financial health and have the power to intervene early in cases of financial stress of an entity and require it to take corrective measures according to a pre-approved recovery plan, in order to stave off the potentially disruptive last resort of putting such an entity into resolution;
 4. Believes that non-bank financial institutions themselves should develop comprehensive and substantive recovery plans that identify critical operations and services and develop strategies and measures necessary to ensure continued provision of critical operations and services, and that these recovery plans should be reviewed by the relevant supervisory authority; considers that the supervisory authority should be able to request changes to the recovery plan and should lead and consult with the resolution authority, which, if different, could make recommendations to the supervisor;
 5. Considers that supervisory authorities should have the power to intervene on financial

stability grounds, and to require the implementation of parts of recovery plans which have not yet been activated or take other actions if necessary; the authorities should, however, also be aware of the risk of creating market uncertainty in already stressed circumstances;

6. Takes the view that resolution and supervisory authorities in each country should strive to cooperate and keep each other informed;
7. Believes that for groups with entities in different jurisdictions, a group resolution plan should be agreed between different resolution authorities; such plans should be based on the presumption of cooperation between authorities in different jurisdictions;
8. Considers that resolution measures should differentiate between different services and activities which the financial market infrastructure institution in question is authorised to provide or perform;
9. Stresses the need to avoid any conflicts between the recovery and resolution plans and the existing legislation, in particular the Financial Collateral Arrangements Directive (FCAD) and the European Market Infrastructure Regulation (EMIR), since these could lead to constraints on the recovery and resolution powers for CCPs and CSDs or prevent them from being effective;
10. Underlines the urgent need, in the context of assessing the relevance of specific resolution regimes for market infrastructure, financial institutions and shadow banking entities, for the development of tools for effective near-time monitoring of the stock and flow of financial risk within and across corporate, sectoral and national boundaries in the Union and between the Union and other global regions; urges the Commission to ensure that the relevant data provided under banking, insurance and market infrastructure legislation is used efficiently for this purpose by the ESRB, ESAs and other competent authorities;

CCPs

11. Calls upon the Commission to ensure that CCPs have a default management strategy for all products that are cleared by the CCP as part of a wider recovery plan approved by the supervisor, with a particular focus on those products that are mandated for central clearing, as there is a higher likelihood of risk concentration in these cases;
12. Underlines the importance of monitoring risks to CCPs arising from a concentration of clearing members, and calls on supervisors to inform the EBA of the largest 10 clearing members of each CCP so that risks such as interlinkages, contagion and the potential for failure of more than one CCP at a time can be centrally monitored and assessed;
13. Calls on the Commission to develop tools for measuring CCPs' intraday risk, to ensure that intraday balances held by CCPs with commercial banks for account management and payment services do not exceed predefined limits that could otherwise threaten the functioning of the CCP;
14. Believes that in order to maintain incentives for good governance of CCPs the default waterfall established in EMIR needs to be respected such that the CCP's pre-funded own financial resources are used before any non-defaulting members' default fund contributions;

15. Calls on the Commission to ensure that CCPs act in the general public interest and adopt their business strategies accordingly, in order to significantly reduce the likelihood of triggering recovery and resolution scenarios;
16. Calls on the Commission to recognise that while the aim of ringfencing asset classes within a default fund of a CCP is to limit contagion, it is unclear whether this will be sufficient to prevent such contagion in practice, given that commercial incentives related to cross-margining could increase risk in the system; calls on the Commission to propose further measures in order to minimise this contagion risk;
17. Calls on the Commission to ensure that sound principles are established to govern contractual arrangements between a CCP and its clearing members, as well as how clearing members pass on losses to their clients, in such a way that the clearing member's default fund will have to be exhausted before any losses from a defaulting clearing member can be passed on to the client as part of a transparent loss allocation process;
18. Believes that any contractual arrangements between a CCP and its clearing members should distinguish between losses arising from a member default and those arising from other reasons such as losses incurred as a result of poor investment choices by the CCP; calls on the Commission to ensure that the CCP's risk committee is kept fully apprised of the CCP's investments in order to maintain appropriate oversight; considers that recovery tools such as suspension of dividends and payment of variable remuneration or voluntary restructuring of liabilities through debt-to-equity conversion should be considered the most appropriate tools to be used in these circumstances;
19. Believes that all CCPs should have in place comprehensive recovery arrangements which provide protection over and above the funds and resources required by EMIR; these recovery plans should provide protection against all foreseeable circumstances, and should be included and published as part of the CCP's rules;
20. Asserts that the dividing-line between recovery and resolution in the case of CCPs is when the default waterfall is exhausted, and the loss absorption capacity of the CCP has been depleted; takes the view that at this point the supervisor should actively consider the option of removing the CCP's management board and whether to transfer critical services of the CCP or hand over operational control of the CCP to another provider; believes that the resolution authorities should be given the necessary degree of discretion in assessing the situation, as well as a certain margin of manoeuvre, enabling them to justify their decisions;
21. Believes that in exercising such discretion the resolution authorities should apply the following very specific criteria:
 - (i) where the sustainability of the market financial infrastructure in question is in the process of being, or is already, seriously compromised because of their inability to comply with the prudential requirements applicable;
 - (ii) where there is no alternative to entry into the resolution phase if the situation is to be rectified effectively and without compromising the stability of the financial system;
 - (iii) where a resolution measure is necessary in the public interest insofar as it makes it

- possible to achieve one or more objectives of the resolution using proportionate means;
22. Stresses the need to treat ‘continuity of service’ as a key resolution objective;
 23. Emphasises that any participation of clearing members in loss allocation before removal of the CCP’s management should not involve the money or assets of direct or indirect clients, while the resolution authority, once responsible, may employ resolution tools for loss allocation such as variation margin cutting or refilling of the default fund by the non-defaulting clearing members, following the resolution plan as closely as possible;
 24. Believes that if the resolution authority had the ability to impose a stay on early termination rights which would pause the CCP for a maximum period of two days, this could permit the market to correctly re-price the contracts, thus allowing for a more orderly diffusion of risk; the availability and exercise of such a power should be carefully considered so that it is, at a minimum, conditional on the resolution authority determining that imposition of a stay is necessary in the interests of financial stability, having regard to the resolution objectives, interplay with relevant bank or other resolution regimes applicable to clearing members, default and risk management of the CCP and the impact on each of the CCP’s markets, clearing participants and financial markets generally; this would necessarily be accompanied by the power to lift the clearing obligation as a last resort after it has at least been examined whether another CCP could provide the clearing in the short term;
 25. Acknowledges that CCPs have clearing members from a large number of countries; considers, therefore, that a CCP resolution framework will be effective when it is effective in all the jurisdictions involved; believes that, consequently, national insolvency frameworks have to be updated to accommodate the new European resolution regime;
 26. Considers that central counterparties with a banking licence should be subject to a central counterparty-specific regime and not to the proposed bank recovery and resolution regime of the bank recovery and resolution directive (BRR); of particular concern in this sense is the fact that the proposed regime for banks would require them to hold an aggregate amount of debt that can be bailed-in; believes such a power would be inappropriate for central counterparties holding a banking licence because they do not tend to issue such debt instruments;

CSDs

27. Establishes that it is the responsibility of a CSD to ensure that its recovery plan clearly provides for operational continuity in reasonable crisis scenarios so that, even if other parts of its business can be disposed of, its primary settlement function as well as the other core services of the CSD can continue to be performed by the CSD or an existing third party provider, as authorised under CSDR;
28. Calls, if no separate legislative proposal is imminent, for inclusion in the CSDR of a requirement for national competent authorities to ensure the establishment of appropriate recovery and resolution plans in line with FSB and CPSS-IOSCO international standards for all CSDs, including references to the articles of the BRR that should apply to those

CSDs operating under a banking licence;

29. Calls on the Member States, in the absence of Securities Law Legislation, to develop and coordinate their existing special administration regimes for CSDs in order to improve certainty as to how operational continuity will be maintained in a crisis, in particular by ensuring access to the registries, records or accounts of the CSD so that the resolution authority or national competent authority is easily able to identify the owners of assets;
30. Calls on the Commission to ensure that the proposal for a recovery and resolution framework for CSDs ensures – as far as possible – the continuity of the CSDs during the recovery and resolution;
31. Calls on the Commission to ensure that the proposal for a recovery and resolution framework for CSDs ensures continuity of the CSDs' legislative environment, in particular by respecting the Settlement Finality Directive, Delivery versus Payment arrangements, the operation of any CSD link, and contracts with critical service providers during the recovery and resolution;

Insurance undertakings

32. Notes that in the EU there is longstanding prudential regulation for insurance; stresses the importance of a consistent and convergent approach by Member States towards the implementation of Solvency II within a reasonable time-frame as set out in Omnibus II; calls for the completion of negotiations on Omnibus II so that levels two and three of Solvency II can be finalised in a timely manner, thus keeping to a minimum the probability of resolution authorities having to step in;
33. Calls on the Commission to closely take into account the IAIS's work on recovery and resolution of insurers, and to consider it within the context of level two of Solvency II, Financial Conglomerates legislation, and the Insurance Mediation Directive and work with international partners to follow the timetable established by the FSB to implement the policy recommendations including requiring systemic insurers to have recovery and resolution plans as well as resolvability assessments in place, enhanced group supervision and higher loss absorbency requirements; recognises that the long-term nature of insurance liabilities, the different timescales, long run-off periods and business nature of insurance compared to banking, along with the tools available to regulators, already provide for efficient resolution practices; believes the focus should therefore be on recovery;
34. Regrets that the IAIS and FSB have postponed the publication of guidelines on the assessment of the systemic status of and policy recommendations for reinsurers until July 2014; calls on the Commission to look carefully at the systemic risk posed by reinsurers, especially with regard to their central role in insurance risk management and their high degree of interconnectedness and poor substitutability;

Asset management

35. Calls on the Commission to assess carefully whether any asset managers should be designated as systemically important, taking into account the scope of their activity and using a comprehensive set of indicators such as: size, business model, geographical scope,

risk profile, creditworthiness, and whether or not they trade on their own account and are subject to requirements regarding the segregation of the assets of their clients, as well as other relevant factors;

36. Notes that client assets are segregated and held with custodians, and that, therefore, the ability for these assets to be transferred to another asset manager is a substantial safeguard;
37. Believes that an effective securities law regime could mitigate many of the issues involved in case of failure of a large crossborder asset manager;

Payment systems

38. Calls on the Commission to engage with the relevant international financial supervisors and authorities in order to identify any weaknesses in globally systemically important payment systems and the arrangements in place to ensure continuity of service in the event of failure;
39. Believes that, since payment systems are at the heart of all cash transfers, it is clear that a market perturbation in such a system would have significant spillovers on other financial market actors; notes that the 1998 Settlement Finality Directive already aims to mitigate potential risks in payment systems, but considers that it does not go sufficiently into recovery and resolution, and that specific provisions therefore need to be made in order to allow payments systems to react adequately to adverse circumstances;
40. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

The financial crisis has shown the interconnectedness of the global financial system where the failure in risk management processes within any large player in the market has the potential to spread via a contagion effect. As part of global efforts to make the financial system more resilient it is necessary for all market participants to have a better understanding of how their business will function, or be wound down in an orderly fashion under stressed circumstances.

Throughout the turmoil of the recent financial crisis, it is noteworthy that no piece of non-banking critical market infrastructure (CMI) failed or needed to be resolved. However new global commitments shifting bilaterally traded products into multilateral market infrastructure especially concentrating positions and risk through central clearing of trades means more stress is being put on these institutions. CMI operators therefore need to demonstrate proper governance and strong risk management for the benefit of the system as a whole.

The CPSS IOSCO consultation concerning recovery and resolution of financial market infrastructure recognises this need and will be followed by a new set of principles to complement the FSB's "Key Attributes of Effective Resolution Regimes for Financial Institutions" and complement and expand upon previous IOSCO work on "Principles for Financial Market Infrastructure."

Whilst within the EU it is hoped that EMIR, MiFID and CSDR will increase the safety and stability of the financial system it is important to recognise the limitations of legislation and the likelihood of unintended consequences as significant risk is transferred from individual market participants to mutualised central hubs.

This report will focus specifically on CCPs and CSDs as key critical market infrastructure that needs strong recovery and resolution rules as a priority. The report also acknowledges that there are many other entities that are non-bank financial institutions, including insurance undertakings, asset managers and payment systems. However, international work on these sectors is either yet to be completed or is awaiting further discussion and evaluation.

Central Counterparties - CCPs

A CCP stands between two counterparties so as to provide a way to manage the risk of default of a counterparty. EMIR already requires CCPs to be sufficiently resilient to survive the default of its two largest clearing members and the use of recovery tools such as a mandated default waterfall to predetermine the hierarchy of losses within the CCP should a clearing member default.

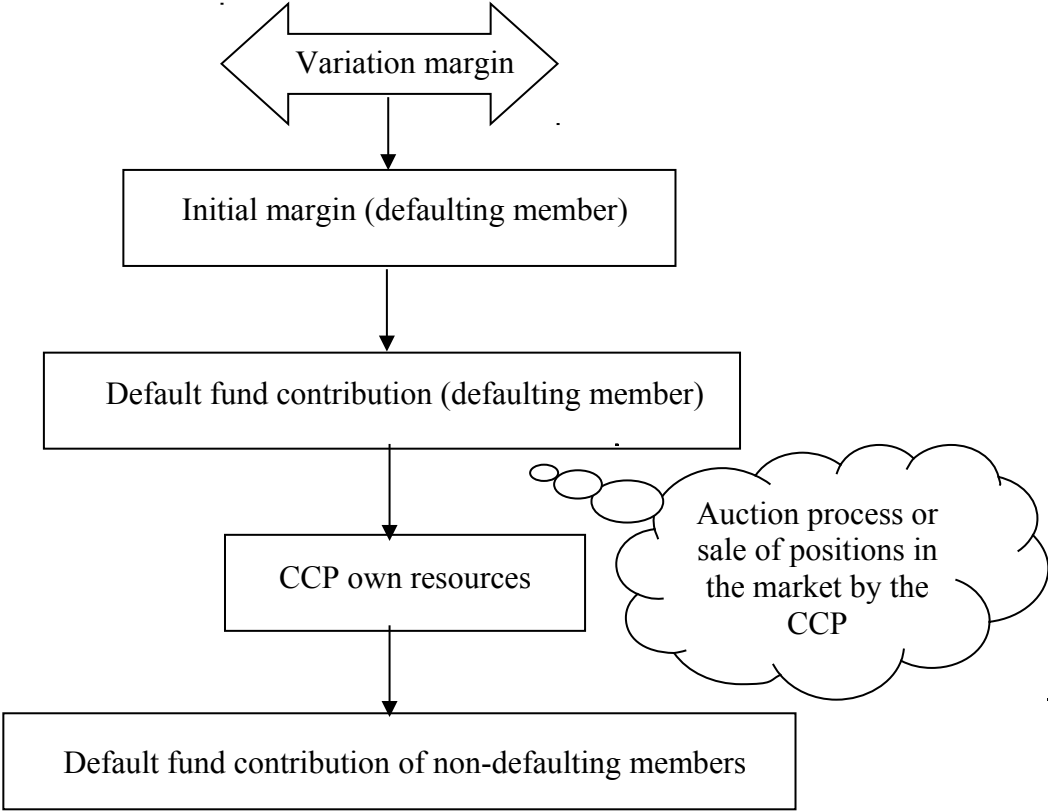
If a CCP is to mutualise the risk in the financial system, good governance is paramount and a recovery framework must ensure it provides the correct incentives for both clearing members who contribute to the default fund and to the CCP itself via its own contribution. The use of recovery tools beyond those mandated in EMIR are likely to indicate a severe governance failure within the CCP and should not be considered part of normal operations.

Where a clearing member of a CCP defaults, EMIR outlines a default waterfall for how losses are managed by firstly utilising the margin of the defaulting member. The next stage requires

using the default fund contributions of the defaulting member to cover further losses. If this is exhausted, the CCP has dedicated own financial resources that it must call upon, before the non-defaulting members default fund contributions can be used.

Although EMIR does not mandate it as part of the default waterfall, the CCP may liquidate the positions of a defaulting member in the open market. Alternatively in extreme market conditions the CCP can organise an auction process whereby other clearing members buy the positions of the defaulting member. A failed auction occurs when no clearing member is willing or able to buy the positions of the defaulting clearing member at a price the CCP can afford to pay.

EMIR default waterfall - article 45



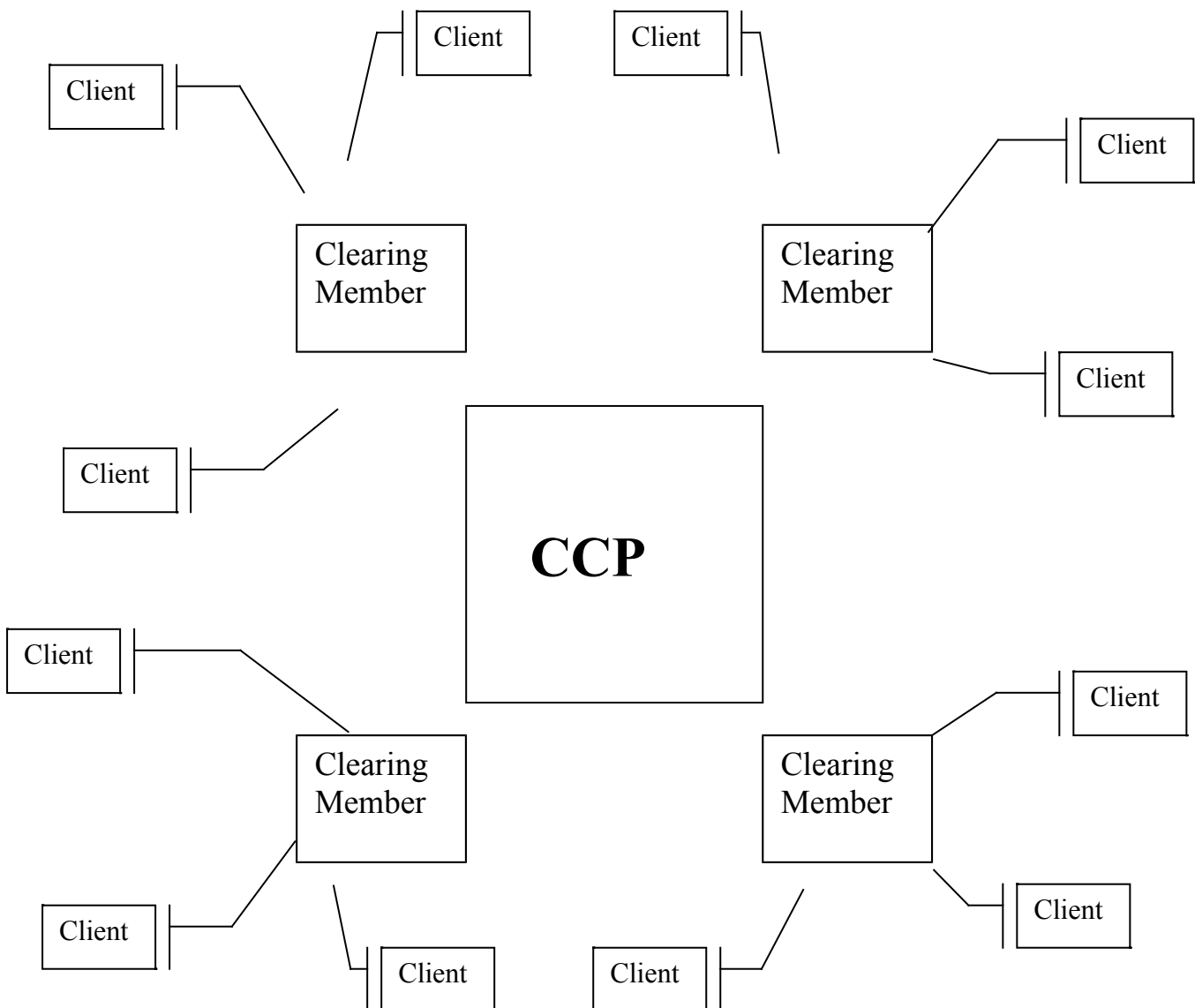
Notably even during recent extreme market stress no EU CCP utilised their general default fund and therefore available recovery tools performed satisfactorily.

However, mandating central clearing of derivative products through CCPs may see increased competition between CCPs, encouraging them to centrally clear more products. While increased use of central clearing is the desired G20 regulatory outcome, it increases the requirement for strong governance and risk management. A recovery and resolution programme for a CCP should include the possibility of the failure of the CCP to correctly calculate the inherent risk of a product, and therefore the margin, as an additional risk for a resolution authority to deal with, as well as the default of multiple systemically important clearing members.

Resolution Authorities should be provided with the necessary tools to deal with the wide variety of potential threats to the continued operation of a CCP in order to protect client assets.

Recovery and resolution frameworks for CCPs are further complicated by the relationship between CCPs and their clearing members and additionally the clearing members and their clients. The CCP has very little contact with the end clients of the clearing members although they are the intended beneficiaries of central clearing. Therefore the end clients have little say over the risk management of a CCP and have no contractual obligations to them, suggesting that any allocation of losses from the failure of a CCP should first impact upon the clearing members who are paid by their clients to provide a layer of protection against the CCP. Further loss allocation methods which may benefit the financial system as a whole by diffusing losses, should follow principles set out and agreed with regulators, so as to avoid unfavourable terms for the clients of clearing members which may be a result of unequal power relationships.

Relationship between CCP, and Clearing Member, and Clearing Member and Client



Any recovery or resolution regime must have protection of client assets as a core objective and should provide legal certainty to all users of financial market infrastructure. Should a significant clearing member default or should there be a failure of governance or risk management by the CCP, then arrangements need to be in hand for a resolution authority to ensure orderly interim function and possible resolution.

Central Securities Depositories - CSDs

CSDs are integral to national securities markets, and are critical to the functioning of the financial markets. Therefore any recovery regime needs to be fully endorsed by the supervisor. The focus on operational continuity in any resolution scenario can not be over emphasised and resolution authorities need to be given appropriate powers to ensure operational continuity of the securities system. In particular in the case of the International CSDs (ICSDs), the need for regulatory cooperation internationally is paramount, both between regulators within and beyond the EU.

CSD business models are evolving in anticipation of the introduction of Target2Securities by the ECB such that many CSDs are expanding into new services and offerings and other market participants are considering providing securities settlement services.

In addition, the regulatory drive towards central clearing has fuelled a demand for access to high quality collateral. Therefore CSDs are increasingly utilising their pools of collateral to provide collateral transformation services to market users.

These new services need supervisory oversight and detailed recovery plans to ensure that the CSDs primary settlement services are not put at risk.

Should a CSD be operating with a banking licence as referred to in CSDR then the recovery and resolution plan should be based closely upon the regulatory requirements of the Bank Recovery Resolution Directive (BRRD). This will ensure a level playing field between banks and CSDs as well as ensuring operational continuity of a CSD. National supervisors should be able to go beyond regulatory requirements of both the BRRD and CSDR should they believe that a particular business model necessitates additional steps to maintain the critical functions of the CSD in stressed market conditions.

Should a prolonged period of disruption occur at a CSD resulting from either a governance or operational failure, recovery plans need to ensure that decision making passes where appropriate to a resolution authority to ensure full legal certainty.

Insurance Undertakings

Although insurance companies operate very differently from banks, they are deeply integrated within the financial markets and, as proven in the recent crisis, have the potential to be systemically important. Recovery and resolution planning is therefore prudent.

However, international work by the International Association of Insurance Supervisors lags that of CPSS IOSCO in relation to critical market infrastructure. In addition the new regulatory measures such as Solvency II, which aim to increase the resilience of insurance

undertakings, have not yet been implemented across the EU.

Whilst encouraging insurance companies to work with national supervisors on individual plans it seems appropriate not to cover them in the EU legislation dealing with CMI recovery and resolution.

Asset Management

The size and business model of the asset management sector does not typically present systemic risk. However we are now seeing the growth of much larger asset management firms many of whom are exploring new business opportunities that could fundamentally change their business models and over time increase their systemic importance. More work needs to be done on an international basis in this area based upon improved data collection and analysis. Future recovery and resolution plans specifically for this sector may need to be addressed in subsequent legislation.

Payment Systems

While payment systems do not typically take on risk, their failure, particularly in the currency markets due to fraud or mismanagement could have resounding implications for the whole system of global trade. Accordingly, payment systems should be either subject to resolution regimes or to a bespoke insolvency regime that prioritises service continuity over the other objectives of the insolvency practitioner.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	17.10.2013
Result of final vote	+: 32 -: 0 0: 0
Members present for the final vote	Jean-Paul Basset, Udo Bullmann, George Sabin Cutaş, Rachida Dati, Leonardo Domenici, Derk Jan Eppink, Markus Ferber, Jean-Paul Gauzès, Sylvie Goulard, Liem Hoang Ngoc, Wolf Klinz, Jürgen Klute, Philippe Lamberts, Ivana Maletić, Marlene Mizzi, Ivari Padar, Anni Podimata, Peter Simon, Kay Swinburne, Sampo Terho, Marianne Thyssen, Ramon Tremosa i Balcells, Pablo Zalba Bidegain
Substitute(s) present for the final vote	Thijs Berman, Zdravka Bušić, Herbert Dorfmann, Ashley Fox, Roberto Gualtieri, Enrique Guerrero Salom, Theodoros Skylakakis
Substitute(s) under Rule 187(2) present for the final vote	Julie Girling, Phil Prendergast, Milan Zver