

Committee on Economic and Monetary Affairs  
The Chairwoman

200209 15.01.2014

Greek Presidency of the EU  
Theodoros Sotiropoulos  
Ambassador  
Permanent Representation of Greece to  
the European Union  
Rue Jacques de Lalaing 19–21  
1040 - Brussels

Your Excellency,

We are taking this opportunity to refer to the intergovernmental conference on the intergovernmental agreement (IGA) on the functioning of the single resolution mechanism (SRM), the first meeting of which took place on 9 January 2014.

We recall, on behalf of the Committee on Economic and Monetary Affairs of the European Parliament, our firm disagreement with this approach which excludes unilaterally from the ordinary legislative procedure some fundamental parts of the EU legislative proposal on the SRM. Our position is based mainly, but not exclusively, on the following legal grounds:

- the IGA is not indispensable to address any legal issue, as the proposed SRM regulation is based on the appropriate legal basis (Article 114 TFEU);
- the principle of sincere cooperation (Article 4(3) TEU), the principle of institutional balance and the principle of democracy, which are part of the core constitutional principles of EU legal order, require that the ordinary legislative procedure, which is initiated by the Commission proposal, may not be circumvented by the Member States by negotiating and concluding international agreements covering the same subject-matter of the Commission proposal;
- matters that fall within a Union competence that refers to the ordinary legislative procedure may not be regulated by international agreement once the Commission presented a proposal;
- the IGA regulates an essential element of the subject matter of the SRM regulation - the fund. There is no particular legal justification why the transitional regime proposed in the IGA could not be dealt under the SRM regulation. On the contrary, the transitional regime should be regulated in the SRM regulation. It is an essential element thereof, as it provides for the transfer of the contributions to the fund;

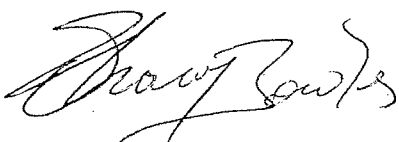
- the IGA circumvents the provision in Article 291 TFEU on the uniform conditions for implementation. This article empowers the Commission - and not the Member States via the IGA - to determine the uniform conditions for the implementation of a legally binding EU act.

Moreover, we disagree with the substance of the planned IGA and we will further present within the appropriate institutional framework - the trilogues -, our policy concerns regarding the elements proposed in the IGA. Our main policy concerns relate to the fact that the IGA jeopardizes the establishment and the smooth functioning of the SRM, inter alia because of:

- the lack of a truly single fund which is the cornerstone of the SRM;
- the infringement of the principle of equal treatment of all banks in the participating Member States, irrespectively of their place of establishment. The non-discriminatory use of all the resolution tools, including use of the single fund, has to be ensured;
- serious impediments to the speed and efficient functioning of the decision making process and the implementation of the decisions.

In conclusion, the European Parliament is not obliged under the ordinary legislative procedure to accept any exclusion of any element of the legislation to be negotiated and will exercise fully its prerogatives of co-legislator. The European Parliament's participation in the intergovernmental conference shall not be construed as waiving these prerogatives.

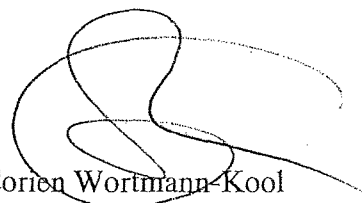
Yours sincerely,



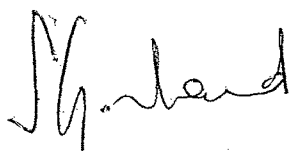
Sharon Bowles  
Chairwoman



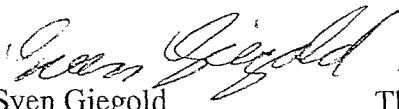
Elisa Ferreira  
S&D Rapporteur



Corien Wortmann-Kool  
EPP Shadow Rapporteur



Sylvie Goulard  
ALDE Shadow Rapporteur



Sven Giegold  
Greens Shadow rapporteur



Thomas Händel  
GUE/NGL Shadow Rapporteur

Cc: Uwe Corsepius, Secretary-General of the Council of the European Union  
Thomas Wieser, Chair of intergovernmental conference on the intergovernmental agreement on the functioning of the single resolution mechanism