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Plenary sitting

31.5.2013

B7-0000/2013

MOTION FOR A RESOLUTION

further to Questions for Oral Answer B7-0000/2013 and B7-0000/2013

pursuant to Rule 115(5) of the Rules of Procedure

on financial services: Lack of progress in Council and Commission's delay in the adoption of certain proposals
(2013/2658(RSP))

Sharon Bowles

on behalf of the Committee on Economic and Monetary Affairs

European Parliament resolution on financial services: Lack of progress in Council and Commission's delay in the adoption of certain proposals (2013/2658(RSP))

The European Parliament,

- having regard to the Commission proposal of 12 July 2010 for a directive of the European Parliament and of the Council on Deposit Guarantee Schemes (recast) (COM(2010)0368),
- having regard to the Commission proposal of 12 July 2010 for a directive of the European Parliament and of the Council amending Directive 97/9/EC of the European Parliament and of the Council on investor-compensation schemes (COM(2010)0371),
- having regard to the Commission proposal of 19 January 2011 for a directive of the European Parliament and of the Council amending Directives 2003/71/EC and 2009/138/EC in respect of the powers of the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority (COM(2011)0008), hereinafter referred to as "Omnibus II/Solvency II",
- having regard to the Commission proposal of 20 October 2011 for a directive of the European Parliament and of the Council on markets in financial instruments repealing Directive 2004/39/EC of the European Parliament and of the Council (Recast) (COM(2011)0656) and to the Commission proposal of 20 October 2011 for regulation of the European Parliament and of the Council on markets in financial instruments and amending Regulation [EMIR] on OTC derivatives, central counterparties and trade repositories (COM(2011)0652), hereinafter referred to as the "MiFID review",
- having regard to the Commission proposal of 20 October 2011 for a directive of the European Parliament and of the Council on criminal sanctions for insider dealing and market manipulation (COM(2011)0654) and to the Commission proposal of 20 October 2011 for regulation of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) (COM(2011)0651), hereinafter referred to as "MAD/MAR",
- having regard to the Commission proposal of 7 March 2012 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 (COM(2012)0073),
- having regard to the Commission proposal of 6 June 2012 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 and amending Council Directives 77/91/EEC and 82/891/EC, Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC and 2011/35/EC and Regulation (EU) No 1093/2010 (COM(2012)0280),
- having regard to the Commission proposal of 3 July 2012 for a directive of the European

Parliament and of the Council amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions (COM(2012)0350), hereinafter referred to as "UCITS V",

- having regard to the Commission proposal of 3 July 2012 for a directive of the European Parliament and of the Council on insurance mediation (recast) (COM(2012)0360), hereinafter referred to as "IMD II",
 - having regard to the Communication from the Commission of 31 March 2010 on the Commission Work Programme 2010 (COM(2010)0135), and in particular to the reference to the planned adoption in 2010 of a legislative proposal for a directive on legal certainty in securities law,
 - having regard to the Communication from the Commission of 27 October 2010 on the Commission Work Programme 2011 (COM(2010)0623), and in particular to the reference to the planned adoption in 2011 of a legislative proposal for a directive on legal certainty in securities law,
 - having regard to the Communication from the Commission of 15 November 2011 on the Commission Work Programme 2012 (COM(2011)0777), and in particular to the reference to the planned adoption in 2012 of a legislative proposal for a securities law directive and for a legislative proposal for a revision of Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market¹,
 - having regard to the conclusions of the European Council at its meeting on 1 and 2 March 2012, and in particular the reference to the MiFID review,
 - having regard to the Recommendation of the European Systemic Risk Board of 20 December 2012 on money market funds²,
 - having regard to its resolution of 20 November 2012 on Shadow Banking³,
 - having regard to the questions to the Council and to the Commission on financial services: Lack of progress in Council and Commission's delay in the adoption of certain proposals (O-000063/2013 – B7-0000/2013 and O-000000/2013 – B7-0000/2013),
 - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas the recovery of the EU economy requires a stable financial sector that provides competitive funding to the real economy; whereas to achieve this, it is necessary to complete the Banking Union as agreed and reaffirmed by the different EU institutions with responsibility for this key sector of our economy;

¹ OJ L 319, 5.12.2007, p. 1.

² OJ C 146, 25.5.2013, p. 1.

³ Texts adopted, P7_TA (2012)0427.

- B. whereas the proposal for a review of the directive on Deposit Guarantee Schemes (DGS) was adopted by the Commission on 12 July 2010, and Parliament, after unfruitful negotiations with Council, voted in first reading on 16 February 2012;
- C. whereas the proposal for review of the Investor-Compensation Schemes Directive (ICSD) was adopted by the Commission on 12 July 2010, and Parliament, in view of the reluctance of the Council to adopt a general approach and enter into negotiations, voted in first reading on 5 July 2011;
- D. whereas the Commission adopted its proposals on the MiFID review on 20 October 2011 and Parliament dealt with them swiftly and adopted amendments to those proposals on 26 October 2012, only one year after their submission; since then Parliament has been waiting to start negotiations with Council in view of a possible first-reading agreement;
- E. whereas the European Council concluded at its meeting on 1 and 2 March 2012 that the MiFID review proposals should be agreed by the co-legislators by December 2012;
- F. whereas the Commission adopted its proposal on Central Securities Depositories (CSDR) on 7 March 2012 and Parliament's Economic and Monetary Affairs Committee adopted its report on 4 February 2013, and since then has been waiting to start negotiations with Council in view of a possible first-reading agreement;
- G. whereas the Commission's proposal for a directive on legal certainty in securities law was originally expected to be adopted in the course of 2010, and was then included in the Commission's Legislative and Work Programmes for 2011 and 2012, but has not yet been adopted;
- H. whereas Directive 2007/64/EC on payment services in the internal market requires the Commission to present no later than on 1 November 2012 a report on the implementation and impact of that Directive, accompanied, where appropriate, by a proposal for its revision; whereas the Commission has not yet submitted such report and revision;
- I. whereas Parliament, in its resolution on Shadow Banking, called for additional measures to be taken regarding money market funds, in particular in order to improve the resilience of these funds and to cover the liquidity risk, and whereas the recommendation of the European Systemic Risk Board (ESRB) to end constant net asset value money market funds, published shortly after that resolution, should be taken into account in those measures;
- J. whereas Article 5 of Directive 2011/89/EC¹ required the Commission to fully review Directive 2002/87/EC (Financial Conglomerates Directive)², addressing in particular the scope of that Directive, the extension of its application to non-regulated entities, the criteria for identification of financial conglomerates owned by wider non-financial groups, systemically relevant financial conglomerates, and mandatory stress testing and to send their report to the Parliament and the Council by 31 December 2012, to be followed by appropriate legislative proposals;

¹ OJ L 326, 8.12.2011, p. 113.

² OJ L 35, 11.2.2003, p. 1.

- K. whereas the Commission, following this review, delivered their report on 20 December 2012, concluding that although the criteria for the definition and identification of a conglomerate, the identification of the parent entity ultimately responsible for meeting the group-wide requirements and the strengthening of enforcement with respect to that entity are the most relevant issues that could be addressed in a future revision of the financial conglomerates directive, it decided not to propose a legislative proposal to this effect in 2013;
- L. whereas the Commission undertook to keep the situation under constant review to determine an appropriate timing for the adoption of proposals to review the Financial Conglomerates Directive, in particular with a view to the ongoing negotiations on CRD IV and the Single Supervisory Mechanism (SSM);
- M. whereas on several occasions the Commission indicated its intention to produce a comprehensive study on the effectiveness and proportionality of the measures adopted in the framework of financial regulation since the beginning of the financial crisis;
1. Recalls the Parliament's willingness to at least complete first readings on all upcoming Commission proposals on financial services before the term comes to an end in spring 2014;
 2. Stresses that in the interest of further enhancing the efficiency and robustness of the Union's financial markets as quickly as possible, the pending Commission proposals on financial services must be adopted swiftly, thus avoiding delays in the entry into force of the relevant legislation;
 3. Emphasizes that the Parliament is deeply convinced that stability in the financial sector and the success of all financial structural reforms are a pre-condition to achieve sustainable economic growth and employment in the European Union;
 4. Emphasises that the Parliament has clearly demonstrated its willingness and ability to deal with the Commission's proposals on financial services regulation swiftly and within very short timeframes, for example in the context of the SSM, Solvency II and the MiFID review; expects to apply the same constructive and swift approach with respect to the upcoming Commission proposals;
 5. Urges the Commission to accelerate its work on those outstanding legislative initiatives in the area of financial services that it has announced over the past years; in particular calls on the Commission to adopt its proposal on the Securities Law Directive which is now delayed by more than two-years as a matter of urgency, and to present the outstanding revision of the Directive on payment services in the internal market as quickly as possible; calls on the Commission to adopt as soon as possible a proposal on money market funds taking respective ESRB recommendations fully into account;
 6. Takes the view that now that the negotiations on CRD IV and the SSM have been concluded, proposals to fully review the 2002 Financial Conglomerates Directive should be presented by the Commission without delay;
 7. Recalls the Commission's commitment to undertake a study on the effectiveness and

proportionality of the numerous pieces of legislation that have been adopted since the beginning of the financial crisis, and calls for that process to be launched as soon as possible; this study should also assess the impact of not-completing the Banking Union in the different Member States, including the effects on sovereign debt;

8. Calls on the Commission to adopt as quickly as possible in particular its proposals on a draft regulation establishing a Single Resolution Mechanism and on the follow-up to the recommendations of the Liikanen High-Level Expert Group on bank structural reform; underlines the importance for the co-legislators to deal swiftly with those upcoming proposals in co-decision so as to allow for the speedy entry into force of the relevant measures;
9. Urges the Council to reopen negotiations on DGS, a matter of crucial importance and direct interest for the citizens of the European Union; notes that the necessity of a rapid adoption of that proposal has recently been confirmed by the Cypriot crisis;
10. Regrets the lack of capacity and determination of Council and Member States to achieve the necessary agreements in order to implement the public commitments that must lead to the completion of the Banking Union;
11. Emphasises that further progress on a common system for deposit guarantee schemes as part of the Banking Union presupposes progress on the pending DGS proposal;
12. Calls on the Council to adopt a position on ICSD as soon as possible, so as to allow for the start of negotiations on an issue which has a concrete impact for the Union's citizens as it is intended to increase the individual investor's protection;
13. Recalls the G20 commitment that all standardised over-the-counter (OTC) derivatives contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end 2012; therefore urges the Council to use the remaining time of the legislative term for finalising the work on the MiFID review, so that the Commission proposals can be adopted before the European elections in May 2014;
14. Calls on the Council to continue its work on the CSDR so as to allow for the swift start of negotiations with the Parliament and the Commission to allow for timely implementation before the introduction of Target2Securities;
15. Calls on Council to progress rapidly towards negotiations with the Parliament on other key consumer and investor protection files voted or soon to be voted by the Parliament's competent committee in addition to the MiFID review, such as UCITS V and IMD II;
16. Calls on the Council to arrive at a position as soon as possible on the Commission's proposal for a directive establishing a framework for the recovery and resolution of credit institutions and investment firms, as this is an essential tool for limiting future exposure of EU taxpayers to bank failures;
17. Calls on the Council to ensure that it is ready to speedily conclude negotiations with the Parliament on Omnibus II/Solvency II as soon as European Insurance and Occupational

Pensions Authority's impact assessment of the provisions for long term guarantees previously discussed in trilogue will be available; calls for the rapid adoption of the proposals on MAD/MAR;

18. Urges the Commission to bring forward proposals in time for their consideration in the current legislative term by the Parliament on Insurance Guarantee Schemes and on a recovery and resolution framework for financial institutions other than banks, including a framework applicable, at least, to larger cross-border insurance groups and those with significant activity in non-traditional and non-insurance activities;
19. Asks the Council to clarify the criteria on the basis of which the choice was made to proceed or not with files and how the interdependencies between files have been taken into account;
20. Asks the Council to explain and detail how it is mustering the necessary resources and improving the smoothness and efficiency of the transition from one Presidency to the next;
21. Calls upon Council - in light of lack of progress in the Council working groups - to take its political responsibility and adopt positions by qualified-majority voting as foreseen by the Treaties;
22. Emphasises the responsibility of the co-legislators to take all necessary actions to allow for the adoption of the pending proposals as soon as possible, and where appropriate and feasible before the end of the current legislative term;
23. Instructs its President to forward this resolution to the Council and the Commission.