



## MEPs: financial regulation on track but this is only the beginning

MEPs on Wednesday welcomed the financial supervision package that was endorsed by the Council on Tuesday but insisted this was the first step towards a regulatory system and not the final product. They also commented on the moves to introduce a "European semester", allowing monitoring of national budgetary and economic policies, and held a lively debate on the idea of a financial transaction tax.

Taking the floor for the Council Presidency and the European Commission respectively, Didier Reynders and Michel Barnier briefed the house on the outcome of the ECOFIN meeting and the steps ahead for financial and economic regulation in Europe. They particularly focused on the state-of-play of the discussion on introducing bank levies and a tax on financial transactions.

### Financial supervision

Corien Wortmann-Kool (EPP, NL) and Udo Bullmann (S&D, DE) praised the EP rapporteurs for their persistence in the negotiations and congratulated Mr Reynders and Commissioner Barnier on the result.

Sylvie Goulard (ALDE, FR) insisted the new European supervisory authorities should be given the appropriate room for manoeuvre without introducing too many safeguard clauses for European action, as the Council had so insistently attempted to do previously. "It will be important to ensure that the text's occasionally vague wording does not prevent us from going further", she said. Hans-Peter Martin (NI, AT) criticised the package, comparing it with the American system: "Theirs is stronger!", he said.

### Economic policy co-ordination - European Semester

Members broadly agreed on the need for further economic and budgetary co-ordination and applauded the introduction of a "European Semester", which would allow the Commission and Council to monitor national budgets and economic policies in parallel during a six-month period every year. The idea emerged from the Task Force on Economic Governance, chaired by European Council President Herman van Rompuy. Miguel Portas (GUE/NGL, PT), however, warned that this system must not undermine the prerogatives of national parliaments: "That would lead to a situation in which Germany is telling Greece what to do. We can't rob the national members of parliaments of their freedom of choice concerning their budget."

### Bank levies and a financial transaction tax

A large number of MEPs welcomed the Commission proposal for a coordinated approach on bank levies so as to avoid competitive distortions between national markets. Even though the G-20 is not ready to adopt such measures, MEPs urged the Commission and Council to take a lead and tackle the issue at EU level.

The introduction of a tax on financial transactions is meeting more resistance. Corien Wortmann-Kool was critical and insisted on having the whole G-20 on board: "Otherwise the disadvantages will outweigh the advantages. Transactions will simply circumvent the EU."

Mr Bullmann and Sven Giegold (Greens/EFA, DE) on the other hand said the EU should take the lead and not wait for progress in the G-20. Mr Giegold criticised the Commission for "a cacophony of opinions", with President Barroso and Commissioner Barnier singing from

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a different hymn sheet than Commissioner Semeta. "Mr Semeta's conclusions have been regularly refuted by leading academics", Mr Giegold said. The main controversy was about how best to allocate the revenues. Kay Swinburne (ECR, UK) stressed that these revenues were not "freely available money". "It will be pensioners and companies who will pay for a financial transaction tax, not the banks" she warned. Moreover, she insisted the money should be spent according to the wishes of Member States and not allocated at EU level.

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