



Green light for single supervisor for banks

Plenary sessions [12-09-2013 - 12:31]

Press release

MEPs on Thursday gave their green light to the EU bank supervision system which will bring some 150 of the EU's largest banks under the European Central Bank's direct oversight from September 2014. MEPs strengthened the system's transparency and accountability and tasked the European Banking Authority to develop supervisory practices which national bank supervisors should follow.

The system, which will be compulsory for Eurozone members, will be open to all other EU countries. Here too MEPs left their mark, pushing for a decision-making model for the system which would allow non-Eurozone countries to take part as equal partners.

MEPs Marianne Thyssen (EPP, BE) and Sven Giegold (Greens/EFA, DE) steered the two legislative texts through Parliament. Both were adopted with very large majorities.

Transparency and accountability - a fundamental concern

Although a deal on the system had already been reached with member states in April, MEPs and the ECB then had to spell out how the ECB supervisor would be democratically accountable and transparent. The new oversight system involves the transfer of considerable bank supervisory powers from national to EU level. MEPs and various national parliaments therefore insisted that such a transfer of powers required commensurate democratic control of the new supervisor.

According to the legislation, and the accompanying interinstitutional agreement between the EP and the ECB (see link to statement on the right), the European Parliament will have far-reaching access to information. Most importantly, this would include receiving a "comprehensive and meaningful record [of Supervisory Board meetings] that enables an understanding of the discussions, including an annotated list of decisions". The Chair of the Supervisory Board will also be required to appear at regular hearings before Parliament.

To enhance accountability Parliament will have the joint power with Council to approve the Chair and Vice-Chair of the supervisory board as well as to request their removal. It will also be able to launch investigations into possible errors by the supervisor. Finally, individual MEPs will be able to question the supervisor in writing and receive a reply rapidly.

Other key areas in which Parliament pushed through changes include:

- a stronger role for national parliaments;
- better access to documents for the supervisory authority vis-à-vis banks;
- attractive participation conditions for non-Eurozone countries;
- strict division of European Central Bank staff between monetary policy and supervision, so as to ensure that the supervisory arm of the ECB is truly accountable;
- strengthening the European Banking Authority, in relation to the ECB, and also improving its ability to undertake stress tests and obtain information; and
- establishing a more uniform culture of bank supervision at the same time as upholding the diversity of the EU banking sector.

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Procedures: Co-decision, 1st reading and consultation

Contact

John SCHRANZ

BXL: (+32) 2 28 44264

STR: (+33) 3 881 74076

PORT: (+32) 498 98 14 02

EMAIL: econ-press@europarl.europa.eu

TWITTER: EP_Economics