

**Sharon Bowles MEP**  
**Chair of Economic and Monetary Affairs Committee**  
**Speech at opening of ESMA office 11 July 2011**

I am really pleased to be here today in Paris and the first thing I must do is congratulate all the staff who have worked to convert CESR into the fully fledged ESMA.

It is a pleasure to see the new Chairman, Steven Maijoor, and Executive Director, Verena Ross, at the helm and I wish them success here in this new building. We have all met before of course, and today this is more relaxing for you than when you had to appear before the committee for your approval hearings!

The ECON Committee had useful contacts with the level 3 committees like CESR, and I am sure that our dialogue will flourish even more now that we are actually supposed to engage with you. For the uninitiated I should explain that the level 3 committees were advisors to the Commission and in times past, the Commission was a little jealous of others getting in on the act. Those times are long gone of course, and before Commissioner Barnier's time.

We always had confidence in the level 3 committees and even before the De Larosière report we were pushing for agency status and indeed more funding. In particular we fought hard in the last Parliament for more resources for the level 3 committees in the transition period, already looking forward to the era of the ESAs - and I recall a tough negotiation on that alongside ECON's previous chair, Pervenche Beres. So it was not surprising that we were enthusiastic supporters of the new supervisory architecture. For my part, I do not see this as just a response to the financial crisis, but as part of an evolutionary process dictated by logical needs in a single market for financial services.

We all know the negotiation of the supervisory package was not without its struggles. Negotiating packages of legislation have an added difficulty - we had 5 very determined rapporteurs and a host of shadows, teams from 2 Commission directorates and the Presidency in the negotiations. Amid all that someone was bound to be having a bad day - it often felt like it was the Chair! Certainly the high level attendance of Commissioner Barnier, Belgian Finance Minister Didier Reynders were an essential part of finding a solution, and I must also commend Jean Paul Servais who worked tirelessly for the Belgian Presidency.

So we delivered a result which I have characterised as finding a compromise between the ambition of the Parliament and the caution of Member States, a scenario that we seem destined to repeat both in follow on legislation and in the current high profile package of economic governance. However, the consensus is that Parliament made substantial improvements and we intend to keep adding value, here and elsewhere.

The ambition of the Parliament is perhaps even greater with ESMA than with the other ESAs because there are more completely new regulations, bodies and infrastructures, so there are additional tasks including direct supervision for credit rating agencies.

But the ESMA regulation is not the end of the story. The framework is intended to be populated by individual pieces of legislation and the Parliament is not being backward in pushing the envelope on this. We want proper European rules, a level playing field without loopholes or carve-outs.

Some legislation has already been completed on AIFMD, on Credit Rating Agencies - and I see the rapporteur for those, Jean Paul Gauzès, is here and I know he takes an interest in follow up of the legislation - and we are moving into the final stages now, we hope, for EMIR and short selling. Indeed the Commissioner and I are returning to Brussels this afternoon in order to participate in a trialogue on short selling.

Many of us are conscious of the budgetary constraints imposed on the ESAs and the budget and staffing levels are not as high as the Parliament wishes to see. The important job of ESMA must not be impeded by starving it of the necessary resources and this is a matter to which we will have to return. Resources must match tasks. We should not forget the fundamental point of supervision and regulation is consumer protection. All too clearly now consumers and citizens are bearing the brunt of loss of financial stability. So to those Member States who would be parsimonious - mean - with the ESA funding, I say, go and explain to the citizens that you will not pay for the adequate implementation of the regulatory response to the crises.

Steven, Verena, and all ESMA staff: I know you have ambition and you have a big contribution to make to the European system of financial supervision. There will be teething problems, but the starting point is that Parliament is your friend - sometimes a friend that will have to criticise - but we share your ambition and we want to help you grow.