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*Plenary sitting*

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11.9.2012

B7-0457/2012

## **MOTION FOR A RESOLUTION**

further to Question for Oral Answer B7-0360/2012

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

Towards a Banking Union  
(20122729(RSP))

**Sharon Bowles**

on behalf of the Committee on Economic and Monetary Affairs

**B7-0457/2012**

**European Parliament resolution: Towards a Banking Union  
(20122729(RSP))**

*The European Parliament,*

- having regard to the report by the President of the European Council of 26 June 2012 entitled ‘Towards a Genuine Economic and Monetary Union’,
- having regard to the European Council Conclusions of 28 and 29 June 2012,
- having regard to the Euro Area Summit Statement of 29 June 2012,
- having regard to the Commission communication of 20 October 2009 entitled ‘An EU Framework for Cross-Border Crisis Management in the Banking Sector’ (COM(2009)0561),
- having regard to its resolution of 7 July 2010 with recommendations to the Commission on Cross-Border Crisis Management in the Banking Sector<sup>1</sup>,
- having regard to the G20 Leaders Statement issued at the Pittsburgh Summit of 24 and 25 September 2009, as regards cross-border resolutions and systemically important financial institutions,
- having regard to its resolution of 6 July 2011 on the financial, economic and social crisis: recommendations concerning the measures and initiatives to be taken<sup>2</sup>,
- having regard to the 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 Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions<sup>3</sup>,
- having regard to Recommendation 13 of the report submitted to Commission President Barroso on 25 February 2009 by the High-Level Group on Financial Supervision in the EU chaired by Jacques de Larosière, which states, ‘[t]he Group calls for a coherent and workable regulatory framework for crisis management in the EU’,
- having regard to its resolution of 20 October 2010 with recommendations to the Commission on improving the economic governance and stability framework of the

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<sup>1</sup> OJ C 351 E, 2.12.2011, p. 61.

<sup>2</sup> Texts adopted,

<sup>3</sup> OJ L 125, 5.5.2001, p. 15.

Union, in particular in the euro area<sup>1</sup>, and in particular Recommendation 6 thereof,

- having regard to Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board<sup>2</sup>,
- having regard to Council Regulation (EU) No 1096/2010 of 17 November 2010 conferring specific tasks upon the European Central Bank concerning the functioning of the European Systemic Risk Board<sup>3</sup>,
- having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC<sup>4</sup>,
- having regard to the report of its Committee on Economic and Monetary Affairs on the proposal for a regulation of the European Parliament and of the Council establishing a European Banking Authority (A7-0166/2010),
- having regard to the letters from its Committee on Economic and Monetary Affairs to both the Commission and the European Supervisory Authorities (ESAs) regarding the independence of ESAs,
- having regard to the Memorandum of Understanding of 1 June 2008 on cooperation between the financial supervisory authorities, central banks and finance ministries of the European Union on cross-border financial stability<sup>5</sup>,
- having regard to the proposal of 20 July 2011 for a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (COM(2011)0452),
- having regard to the proposal of 20 July 2011 for a directive of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and amending Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate (COM(2011)0453),
- having regard to Second Council Directive 77/91/EEC of 13 December 1976 on coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies, in respect of the formation of public limited liability companies and the maintenance and alteration of their capital, with a view to making such safeguards equivalent<sup>6</sup>, Third Council Directive 78/855/EEC of 9 October

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<sup>1</sup> OJ C 70 E, 8.3.2012, p. 41.

<sup>2</sup> OJ L 331, 15.12.2010, p. 1.

<sup>3</sup> OJ L 331, 15.12.2010, p. 162.

<sup>4</sup> OJ L 331, 15.12.2010, p. 12.

<sup>5</sup> ECFIN/CEFCPE(2008)REP/53106 REV REV.

<sup>6</sup> OJ L 26, 31.1.1977, p. 1.

1978 concerning mergers of public limited liability companies<sup>1</sup> and Sixth Council Directive 82/891/EEC of 17 December 1982 concerning the division of public limited liability companies<sup>2</sup>,

- having regard to its legislative resolution of 16 February 2012 on the proposal for a directive of the European Parliament and of the Council on Deposit Guarantee Schemes (recast)<sup>3</sup>,
  - having regard to its legislative resolution of 5 July 2011 on the proposal 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<sup>4</sup>,
  - having regard to the opinion of its Committee on Economic and Monetary Affairs of 31 August 2011 for its Committee on Budgets on ‘Parliament’s position on the 2012 Draft Budget as modified by the Council – all sections’ (2011/2020(BUD)),
  - having regard to the question to the Commission on proposals for a European Banking Union (O-000151/2012 – B7 0360/2012),
  - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas the G20 Leaders Statement issued at the Pittsburgh Summit of 24 and 25 September 2009 called for agreement to be reached on addressing cross-border resolutions and systemically important financial institutions by the end of 2010;
- B. whereas it is crucial to mobilise all efforts to stabilise the European financial market and break the link between banks and sovereigns, in order to start moving towards a genuine economic and monetary union;
- C. whereas back in July 2010 Parliament identified – through its resolution on Cross-Border Crisis Management in the Banking Sector and its report on the proposal for a regulation of the European Parliament and of the Council establishing a European Banking Authority – solutions to cross-border crisis management issues, namely an integrated supervisory mechanism, the reform of the Deposit Guarantee Schemes Mechanism and the creation of a European Stability Fund;
- D. whereas for banks in the euro area the ESM could, following a regular decision, have the possibility to recapitalise banks directly;
- E. whereas the European Council and the Council are finally reaching the same conclusions as Parliament as regards the need for a more integrated supervision system, and are now calling for the establishment of a Banking Union through the setting-up of single supervisory mechanism in conjunction with deposit guarantee schemes and a resolution scheme;

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<sup>1</sup> OJ L 295, 20.10.1978, p. 36.

<sup>2</sup> OJ L 378, 31.12.1982, p. 47.

<sup>3</sup> Texts adopted, P7\_TA(2012)0049.

<sup>4</sup> Texts adopted, P7\_TA(2011)0313.

- F. whereas full parliamentary involvement is essential to the democratic legitimacy of the process leading to the establishment of such a Banking Union, as clearly stated in the fourth ‘building block’ identified in the aforementioned report by Herman Van Rompuy, namely that of strengthening democratic legitimacy and accountability;
- G. whereas Parliament has been fully involved in the establishment of the European System of Financial Supervision (ESFS), including the establishment of the European Banking Authority, through the codecision procedure;
- H. whereas, in obvious contradiction of these very principles, but also of the Commission’s right of initiative, the European Council has asked the latter to come up with a proposal on a single supervisory mechanism with Article 127(6) of the Treaty on the Functioning of the European Union as its sole legal basis, thereby depriving Parliament of its legislative power in single-market matters which are otherwise dealt with through codecision;
- I. whereas involving only the Member States in the procedure, far from making the process faster and more efficient, would send the public a negative signal at a time when the need for greater transparency and democratic support is widely acknowledged;
1. Reiterates that, in moments of crisis, the Community method must always prevail, because this is the only way of ensuring that the Union is able to come out of the crisis stronger;
  2. Urges political leaders to encourage democratic legitimacy in all European Union affairs;
  3. Stresses the need to enhance democratic legitimacy with regard to the proposed Banking Union and single supervisory mechanism by fully involving Parliament as co-legislator;
  4. Stresses the need to give due consideration to the potential mutual spill-over effects of the Banking Union in the euro area for non-euro area members;
  5. Stresses that it will consider proposals on the Banking Union as a package in the event that they amend legislation adopted through the codecision procedure;
  6. Stresses that any major change in supervision, including shifts to other institutions, must be accompanied by an equivalent increase in transparency and accountability of such institutions vis-à-vis Parliament, which must have full questioning rights and full powers in relation to appointment and budgetary procedures;
  7. Instructs its President to forward this resolution to the Commission, the Council, the European Council and the parliaments and governments of the Member States.