

EUROPEAN PARLIAMENT

2004



2009

Committee on Budgets

2009/0001(COD)

11.3.2009

OPINION

of the Committee on Budgets

for the Committee on Economic and Monetary Affairs

on the proposal for a decision of the European Parliament and of the Council
establishing a Community programme to support specific activities in the field
of financial services, financial reporting and auditing
(COM(2009)0014 – C6-0031/2009 – 2009/0001(COD))

Rapporteur: Gary Titley

PA_Legam

SHORT JUSTIFICATION

Commission proposal

The Commission proposes the establishment of a Community programme, providing direct funding from the Community budget to the three EU Committees of Supervisors (Committee of European Security Regulators - CESR, Committee of European Banking Supervisor - CEBS and Committee of European Insurance and Occupational Pension Supervisors CEIOPS) and to key international and European bodies involved in the standard-setting process for financial reporting and auditing. These bodies are the International Accounting Standards Committee Foundation (IASCF), the European Financial Reporting Advisory Group (EFRAG) and the Public Interest Oversight Body (PIOB).

According to the Commission, stable, diversified, sound and adequate funding of these bodies will enable them to accomplish their mission in an independent and efficient manner. Enhanced supervisory convergence and cooperation will contribute to the stability of financial markets. At the same time, the high quality of internationally harmonised financial reporting and auditing rules and a level playing field for European businesses on the global markets are of key importance to the creation of a favourable business environment. The European contribution to the international accounting debate should also be enhanced by strengthening the resources and role of EFRAG.

The contributions would amount to EUR 36.2 million and would cover the period from 1 January 2010 until 31 December 2013. The proposal involves co-financing by the beneficiaries using their own funds or funds received from third parties (e.g. member organisations, stakeholders).

The proposal will entail reprogramming of the relevant heading in the financial perspective (i.e. heading 1a), and has no financial implications on the revenue.

Draftsman's position

1. In the current economic climate we welcome the Commission's proposal, particularly recalling the European Parliament's September 2008 opinion calling for "sufficient funding to be set aside for international accounting standard setting".
2. Considers that the reference amount indicated in the legislative proposal is compatible with the ceiling of subheading 1a of the current multiannual financial framework 2007-13, but notes that this would reduce the margin available which could have implications for the financing of future projects in that heading. As a result the Rapporteur welcomes the amount proposed by the Commission but would not recommend an increase, unless the need for it was clearly demonstrated.
3. The Commission needs to clarify if the bodies referred to in the Commission's proposal will become quasi EU agencies, as a result of receiving Community funding. If this is the case, reminds the Commission and the Council of the need to respect Article 47 of the 17 May 2006 IIA, since the financial resources to create new agencies is very limited due to the current margins under each heading.

AMENDMENTS

The Committee on Budgets calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Draft legislative resolution

Paragraph 1 a (new)

Draft legislative resolution

Amendment

1a. Considers that the reference amount indicated in the legislative proposal must be compatible with the ceiling of heading 1a of the multiannual financial framework (MFF) 2007-2013 and points out that the annual amount will be decided within the annual budgetary procedure in accordance with the provisions of Point 37 of the Interinstitutional Agreement (IIA) of 17 May 2006;

Amendment 2

Draft legislative resolution

Paragraph 1 b (new)

Draft legislative resolution

Amendment

1b. Considers that, should the European bodies co-financed by the "Programme to support specific activities in the field of financial services, financial reporting and auditing" become agencies, Point 47 of the abovementioned IIA shall apply;

Amendment 3

Proposal for a decision

Article 14 – paragraph 1 – introductory part

Commission draft proposal

Amendment

1. No later than **31 December 2014**, the

1. No later than **6 months before the end**

Commission shall submit a report based, inter alia, on the annual reports referred to in Article 11(1), to the European Parliament and the Council on the achievement of the Programme's objectives.

of the programme, the Commission shall submit a report based, inter alia, on the annual reports referred to in Article 11(1), to the European Parliament and the Council on the achievement of the Programme's objectives.

PROCEDURE

Title	Community programme to support specific activities in the field of financial services, financial reporting and auditing	
References	COM(2009)0014 – C6-0031/2009 – 2009/0001(COD)	
Committee responsible	ECON	
Opinion by Date announced in plenary	BUDG 3.2.2009	
Rapporteur Date appointed	Gary Titley 4.2.2009	
Discussed in committee	23.2.2009	11.3.2009
Date adopted	11.3.2009	
Result of final vote	+: 25 -: 0 0: 0	
Members present for the final vote	Richard James Ashworth, Reimer Böge, Brigitte Douay, Göran Färm, Szabolcs Fazakas, Vicente Miguel Garcés Ramón, Ingeborg Gräßle, Catherine Guy-Quint, Jutta Haug, Anne E. Jensen, Vladimír Maňka, Mario Mauro, Jan Mulder, Gérard Onesta, Margaritis Schinas, Nina Škottová, Theodor Dumitru Stolojan, László Surján, Gary Titley, Helga Trüpel, Kyösti Virrankoski, Ralf Walter	
Substitute(s) present for the final vote	Călin Cătălin Chiriță, Marusya Ivanova Lyubcheva, Peter Šťastný	