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Committee on Economic and Monetary Affairs

2013/2047(INI)

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AMENDMENTS

1 - 111

Draft report
Kay Swinburne
(PE514.596v01-00)

on recovery and resolution framework for non-bank institutions
(2013/2047(INI))

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United in diversity

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Amendment 1
Kay Swinburne

Motion for a resolution
Citation 1 a (new)

Motion for a resolution

Amendment

- having regard to the International Association of Insurance Supervisors report of July 2013 "Global Systemically Important Insurers: Initial Assessment Methodology",

Or. en

Amendment 2
Kay Swinburne

Motion for a resolution
Citation 1 b (new)

Motion for a resolution

Amendment

- having regard to the International Association of Insurance Supervisors report of July 2013 "Global Systemically Important Insurers: Policy Measures",

Or. en

Amendment 3
Kay Swinburne

Motion for a resolution
Citation 1 c (new)

Motion for a resolution

Amendment

- having regard to the CPSS-IOSCO consultative report of August 2013 on 'Recovery of Financial Market Infrastructures',

Amendment 4
Kay Swinburne

Motion for a resolution
Citation 1 d (new)

Motion for a resolution

Amendment

- having regard to the FSB consultative report of August 2013 on 'Application of the Key Attributes of Effective Resolution Regimes to Non-Bank Financial Institutions',

Or. en

Amendment 5
Sharon Bowles

Motion for a resolution
Citation 1 a (new)

Motion for a resolution

Amendment

- having regard to the Financial Stability Board's consultative report of August 2013 on 'Application of the Key Attributes of Effective Resolution Regimes to Non-Bank Financial Institutions' in August 2013,

Or. en

Amendment 6
Sharon Bowles

Motion for a resolution
Citation 4 a (new)

Motion for a resolution

Amendment

- having regard to the Commission's proposal for a Regulation for the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories (CSDs) and amending Directive 98/26/EC (CSDR),

Or. en

Amendment 7

Philippe Lamberts

on behalf of the Verts/ALE Group

Motion for a resolution

Citation 6 a (new)

Motion for a resolution

Amendment

- having regard to "Global Systemically Important Insurers: Initial Assessment Methodology"¹ and "Global Systemically Important Insurers: Policy Measures"² published by the IAIS in July 2013.

¹

http://www.iaisweb.org/view/element_href.cfm?src=1/19151.pdf

²

http://www.iaisweb.org/view/element_href.cfm?src=1/19150.pdf

Or. en

Amendment 8

Philippe Lamberts

on behalf of the Verts/ALE Group

Motion for a resolution

Citation 6 b (new)

Motion for a resolution

Amendment

- having regard to the Financial Stability Board's publication of "Global systemically important insurers (G-SIIs) and the policy measures that will apply to them"¹ on July 18th 2013;

1

http://www.financialstabilityboard.org/publications/r_130718.pdf

Or. en

Amendment 9

Jürgen Klute

Motion for a resolution

Recital A a (new)

Motion for a resolution

Amendment

Aa. whereas privatisation and liberalisation of financial markets have had devastating consequences for the global economy as short-term profit maximisation has caused excessive risk taking leading to systemic instability; whereas this behaviour needs to be ultimately stopped; whereas the general public interest needs to be the main focus of financial service providers including both banks and non-bank financial institutions;

Or. en

Amendment 10

Jürgen Klute

Motion for a resolution

Recital B

Motion for a resolution

B. whereas while EMIR and CSDR aim to reduce systemic risk through well-regulated market infrastructure, ***there is a strong possibility of unintended consequences***;

Amendment

B. whereas while EMIR and CSDR aim to reduce systemic risk through well-regulated market infrastructure, ***significantly more regulation for both banks and non-bank financial institutions is needed in order to ensure that financial markets no longer pose a threat to the society***;

Or. en

Amendment 11
Olle Schmidt, Philippe De Backer

Motion for a resolution
Recital B

Motion for a resolution

B. whereas while EMIR and CSDR aim to reduce systemic risk through well-regulated market infrastructure, there is a ***strong*** possibility of unintended consequences;

Amendment

B. whereas while EMIR and CSDR aim to reduce systemic risk through well-regulated market infrastructure, there is a possibility of unintended consequences;

Or. en

(Legislators and supervisors are doing their utmost to avoid unintended consequences of the reform. Without any hard evidence the word “strong” should be deleted.)

Amendment 12
Leonardo Domenici

Motion for a resolution
Recital B a (new)

Motion for a resolution

Ba. whereas financial market infrastructures are organised along widely differing lines; whereas to

Amendment

facilitate the formulation of appropriate plans for recovery and, above all, resolution, it is necessary to make a distinction between them based on organisational complexity, geographical scope and business model;

Or. it

Amendment 13
Burkhard Balz

Motion for a resolution
Recital C

Motion for a resolution

C. whereas mandatory central clearing *has* increased the concentration of systemic risk in CCPs and all CCPs are systemically important in their own markets;

Amendment

C. whereas mandatory central clearing *positively contributes to decreasing the overall systemic risk of financial markets, it has yet* increased the concentration of systemic risk in CCPs and all CCPs are systemically important in their own markets;

Or. en

Amendment 14
Jürgen Klute

Motion for a resolution
Recital D a (new)

Motion for a resolution

Da. whereas multiple failures of CCP members will have devastating consequences not only for financial market participants but for societies as a whole;

Or. en

Amendment 15
Elena Bănescu

Motion for a resolution
Recital E a (new)

Motion for a resolution

Amendment

Ea. whereas risk management processes show that CCPs reduce counterparty risk and uncertainty and prevent contagion;

Or. en

Amendment 16
Kay Swinburne

Motion for a resolution
Recital H

Motion for a resolution

Amendment

H. whereas the risks of cross-margining of products (portfolio margining) within a CCP are untested and so while reducing collateral demands in the short term may reduce costs, the use of cross-margining should not jeopardise the ability of a CCP to correctly manage risk and should recognise the limitations of VaR analytics;

H. whereas the risks of cross-margining of products (portfolio margining) ***using ring fencing of assets*** within ***the default fund of*** a CCP are untested and so while reducing collateral demands in the short term may reduce costs, the use of cross-margining should not jeopardise the ability of a CCP to correctly manage risk and should recognise the limitations of VaR analytics;

Or. en

Amendment 17
Sharon Bowles

Motion for a resolution
Recital I

Motion for a resolution

Amendment

I. whereas ***the value*** clients derive from ***the***

I. whereas ***one of the key benefits that***

clearing *member lies in their provision of a firewall against counterparty risk in relation to both the CCP and other clearing members;*

clients derive from *central clearing is the reduction of the risk of default by a bilateral counterparty and that clearing members pay the counterparty and CCP if the client defaults;*

Or. en

(Clearing members do not protect clients against a CCP default but they can protect the counterparty or CCP if the client defaults.)

Amendment 18
Danuta Maria Hübner

Motion for a resolution
Recital I

Motion for a resolution

I. whereas the value clients derive from the clearing member *lies* in their provision of a firewall against counterparty risk in relation to both the CCP and other clearing members;

Amendment

I. whereas the value clients derive from the clearing member *may lie* in their provision of a firewall against counterparty risk in relation to both the CCP and other clearing members;

Or. en

Amendment 19
Olle Schmidt

Motion for a resolution
Recital M

Motion for a resolution

M. whereas standard insolvency regimes will not provide a complete framework for treatment of client assets should a CSD fail without implementation of the Securities Law Legislation;

Amendment

deleted

Or. en

(SLL will probably not solve the problems with different rules in the Member States regarding the treatment of client assets in a bankruptcy situation. Only a full harmonization of Member States insolvency laws in this respect could provide certainty.)

Amendment 20
Krišjānis Kariņš

Motion for a resolution
Recital N a (new)

Motion for a resolution

Amendment

Na. whereas effective recovery plans are crucial to improve the stability of the non-bank financial sector;

Or. en

Amendment 21
Philippe Lamberts
on behalf of the Verts/ALE Group

Motion for a resolution
Recital N a (new)

Motion for a resolution

Amendment

Na. whereas the IAIS reported in July 2013 on Globally Systemic Insurance Institutions and concluded that, while the traditional insurance business model has proven considerably less fragile in financial crises than that of banks, nevertheless, large, highly interconnected cross border insurers, especially those that have significant activities outside traditional underwriting such as credit and investment guarantees, can pose a significant systemic risk;

Or. en

Amendment 22
Philippe Lamberts
on behalf of the Verts/ALE Group

Motion for a resolution
Recital N b (new)

Motion for a resolution

Amendment

Nb. whereas, based on the IAIS assessment method, the FSB has identified nine large insurers as being systemic of which five are headquartered in the Union;

Or. en

Amendment 23
Elena Băsescu

Motion for a resolution
Recital O a (new)

Motion for a resolution

Amendment

Oa. whereas recovery and resolution represent key international tools dealing with risks presented by global systemically important financial institutions;

Or. en

Amendment 24
Jürgen Klute

Motion for a resolution
Recital O a (new)

Motion for a resolution

Amendment

Oa. whereas non-bank financial institutions that engage in bank-like activities such as channelling savings into investments or hedging risks should be

covered by similar rules as banks;

Or. en

Amendment 25

Jürgen Klute

Motion for a resolution

Paragraph 1

Motion for a resolution

1. Calls on the Commission to prioritise recovery and resolution of CCPs and those CSDs which are exposed to credit risk, **and when considering** other financial institutions **to differentiate appropriately between each type;**

Amendment

1. Calls on the Commission **not only** to prioritise recovery and resolution of CCPs and those CSDs which are exposed to credit risk, **but also to develop similar legislation for** other financial institutions **that are active on the financial markets and which have the potential to pose systemic risks to the economy;**

Or. en

Amendment 26

Olle Schmidt, Philippe De Backer

Motion for a resolution

Paragraph 1

Motion for a resolution

1. Calls on the Commission to prioritise recovery and resolution of CCPs **and those CSDs** which are exposed to credit risk, and **when considering** other financial institutions to differentiate appropriately between each type;

Amendment

1. Calls on the Commission to prioritise recovery and resolution **first** of CCPs, **second of CSDs, including those** which are exposed to credit risk, and **if appropriate of** other financial institutions, **and** to differentiate appropriately between each type;

Or. en

Amendment 27
Leonardo Domenici

Motion for a resolution
Paragraph 1

Motion for a resolution

1. Calls on the Commission to prioritise recovery and resolution of CCPs and those CSDs which are exposed to credit risk, and when considering other financial institutions to differentiate appropriately between each type;

Amendment

1. Calls on the Commission to prioritise recovery and resolution of CCPs and those CSDs which are exposed to credit risk, ***closely examine the possibility of incorporating asset managers also*** and, when considering other financial institutions, to differentiate appropriately between each type ***on the basis of their size, business model and geographical scope***;

Or. it

Amendment 28
Jürgen Klute

Motion for a resolution
Paragraph 2

Motion for a resolution

2. Emphasises the importance of EU legislation following internationally agreed principles, as agreed in CPSS-IOSCO, FSB and IAIS;

Amendment

2. Emphasises the importance of EU legislation following internationally agreed principles, as agreed in CPSS-IOSCO, FSB and IAIS ***and to go further when deemed necessary for financial and economic stability***;

Or. en

Amendment 29
Danuta Maria Hübner

Motion for a resolution
Paragraph 2 – subparagraph 1 a (new)

Motion for a resolution

Amendment

Non-bank financial institutions themselves should develop comprehensive and substantive recovery plans that identify critical operations and services and develop strategies and measures necessary to ensure continued provision of critical operations and services;

Or. en

Amendment 30
Danuta Maria Hübner

Motion for a resolution
Paragraph 2 – subparagraph 1 b (new)

Motion for a resolution

Amendment

The recovery plans should be reviewed by the relevant supervisory authority. The supervisory authority should be able to request changes to the recovery plan and should lead and consult with the resolution authority, which, if different, could make recommendations to the supervisor;

Or. en

Amendment 31
Danuta Maria Hübner

Motion for a resolution
Paragraph 2 – subparagraph 1 c (new)

Motion for a resolution

Amendment

Supervisory authorities should have the power to intervene for financial stability reasons. They may require the implementation of parts of recovery plans,

which have not yet been activated or take other actions if necessary. The authorities should however also be aware of the risk of creating market uncertainty in already stressed circumstances;

Or. en

Amendment 32
Danuta Maria Hübner

Motion for a resolution
Paragraph 2 – subparagraph 1 d (new)

Motion for a resolution

Amendment

Resolution and supervisory authorities in each country should strive to cooperate and keep each other informed;

Or. en

Amendment 33
Danuta Maria Hübner

Motion for a resolution
Paragraph 2 – subparagraph 1 e (new)

Motion for a resolution

Amendment

Resolution plans should be owned and developed by the resolution authorities, on the basis of information provided by the financial institution in question;

Or. en

Amendment 34
Danuta Maria Hübner

Motion for a resolution
Paragraph 2 – subparagraph 1 f (new)

Motion for a resolution

Amendment

For groups with entities in different jurisdictions, a group resolution plan should be agreed between different resolution authorities. The group resolution plans should be based on the presumption of cooperation between authorities in different jurisdictions;

Or. en

Amendment 35
Danuta Maria Hübner

Motion for a resolution
Paragraph 2 – subparagraph 1 g (new)

Motion for a resolution

Amendment

To retain a consistency with Article 80 of the bank recovery and resolution directive (BRR), one could avoid creating new resolution colleges if existing groups or colleges perform similar functions and carry out similar tasks already. Existing groups may be adapted. While remaining consistent with the BRR, one should not disregard the specificities of the different non-bank financial institutions. If required, in situations in which urgent action is required, the resolution authority for a financial institution could take decisions and act without consulting the college first;

Or. en

Amendment 36
Danuta Maria Hübner

Motion for a resolution
Paragraph 2 – subparagraph 1 h (new)

Motion for a resolution

Amendment

Resolution measures should differentiate between different services and activities which the financial market infrastructure institution in question is authorised to provide or perform;

Or. en

Amendment 37

Danuta Maria Hübner

Motion for a resolution

Paragraph 2 – subparagraph 1 i (new)

Motion for a resolution

Amendment

Conflicts with the recovery and resolution plans and existing legislation, in particular the Financial Collateral Arrangements Directive (FCAD) and the European Market Infrastructure Regulation (EMIR), which could constrain or prevent recovery and resolution powers for CCPs and CSDs from being effective, should be avoided;

Or. en

Amendment 38

Philippe Lamberts

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 2 a (new)

Motion for a resolution

Amendment

2a. Underlines the urgent need, in the context of assessing the relevance of specific resolution regimes for market infrastructure, financial institutions and

shadow banking entities, for the development of tools for effective near-time monitoring of the stock and flow of financial risk within and across corporate, sectoral and national boundaries in the Union and between the Union and other global regions; Urges the Commission to ensure that the relevant data provided under banking, insurance and market infrastructure legislation is used efficiently for this purpose by the ESRB, ESAs and other competent authorities;

Or. en

Amendment 39
Philippe Lamberts
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 2 b (new)

Motion for a resolution

Amendment

2b. Stresses the importance of clear provisions for a 'ladder of intervention' in any recovery provisions for non-bank financial institutions under which competent authorities monitor appropriately designed indicators of financial health and have the power to intervene early in cases of financial stress of an entity and require it to take corrective measures according to a pre-approved recovery plan in order to stave off the potentially disruptive last resort of putting such an entity into resolution;

Or. en

Amendment 40
Kay Swinburne

Motion for a resolution
Paragraph 3

Motion for a resolution

3. Calls upon the Commission to ensure that CCPs have a default management strategy for all products that ***are mandated for central clearing*** as part of a wider recovery plan approved by the supervisor;

Amendment

3. Calls upon the Commission to ensure that CCPs have a default management strategy for all products that ***are cleared by the CCP*** as part of a wider recovery plan approved by the supervisor, ***with a particular focus on those products that are mandated for central clearing as there is a higher likelihood of risk concentration in these cases;***

Or. en

Amendment 41
Danuta Maria Hübner

Motion for a resolution
Paragraph 3

Motion for a resolution

3. Calls upon the Commission to ensure that CCPs have a default management strategy for all products ***that are mandated for central clearing*** as part of a wider recovery plan approved by the supervisor;

Amendment

3. Calls upon the Commission to ensure that CCPs have a default management strategy for all products ***cleared by a CCP*** as part of a wider recovery plan approved by the supervisor;

Or. en

Amendment 42
Olle Schmidt

Motion for a resolution
Paragraph 3

Motion for a resolution

3. Calls upon the Commission to ensure that CCPs have a default management strategy for all products that are ***mandated***

Amendment

3. Calls upon the Commission to ensure that CCPs have a default management strategy for all products that are ***cleared by***

for central clearing as part of a wider recovery plan approved by the supervisor;

the CCP as part of a wider recovery plan approved by the supervisor;

Or. en

(The recovery plan should cover all products cleared by the CCP, and not only those that are mandated.)

Amendment 43
Kay Swinburne

Motion for a resolution
Paragraph 4

Motion for a resolution

4. Underlines the importance of monitoring risks to CCPs arising from a concentration of clearing members, and calls on supervisors to inform EBA of the largest 10 clearing members of each CCP so that *such risk* can be centrally monitored;

Amendment

4. Underlines the importance of monitoring risks to CCPs arising from a concentration of clearing members, and calls on supervisors to inform EBA of the largest 10 clearing members of each CCP so that *risks such as inter-linkages, contagion and the potential for failure of more than one CCP at a time* can be centrally monitored *and assessed*;

Or. en

Amendment 44
Jürgen Klute

Motion for a resolution
Paragraph 6 a (new)

Motion for a resolution

6a. Demands that the Commission ensures CCPs act in the general public interest and adopt their business strategies accordingly in order to significantly reduce the likelihood of triggering recovery and resolution scenarios;

Or. en

Amendment 45
Jürgen Klute

Motion for a resolution
Paragraph 7

Motion for a resolution

7. Calls on the Commission to recognise that while the aim of ring-fencing asset classes within a default fund of a CCP is to limit contagion, it is unclear whether this will be sufficient to prevent such contagion in practice;

Amendment

7. Calls on the Commission to recognise that while the aim of ring-fencing asset classes within a default fund of a CCP is to limit contagion, it is unclear whether this will be sufficient to prevent such contagion in practice; ***calls on the Commission to propose further measures in order to minimise this contagion risk;***

Or. en

Amendment 46
Burkhard Balz

Motion for a resolution
Paragraph 7

Motion for a resolution

7. Calls on the Commission to recognise that ***while the aim of*** ring-fencing asset classes within a default fund of a CCP is ***to*** limit contagion, ***it is unclear whether this will be sufficient to prevent such contagion in practice;***

Amendment

7. Calls on the Commission to recognise that ***it is unclear whether*** ring-fencing asset classes within a default fund of a CCP is ***sufficient to*** limit contagion ***in practice; therefore calls on the Commission to recommend for CCPs to define recovery and resolution plans in a way that the failure of one asset class does not necessarily trigger the resolution of the entire CCP;***

Or. en

Amendment 47
Danuta Maria Hübner

Motion for a resolution
Paragraph 7

Motion for a resolution

7. Calls on the Commission to recognise that while the aim of ring-fencing asset classes within a default fund of a CCP is to limit contagion, it is unclear whether this will be sufficient to prevent such contagion in practice;

Amendment

7. Calls on the Commission to recognise that while the aim of ring-fencing asset classes within a default fund of a CCP is to limit contagion, it is unclear whether this will be sufficient to prevent such contagion in practice. ***However, one should remember that a CCP with a separate default waterfall in respect of specified product lines is more likely to retain its financial stability following a default event and that ring-fencing asset classes represents one important tool in limiting contagion;***

Or. en

Amendment 48
Kay Swinburne

Motion for a resolution
Paragraph 7

Motion for a resolution

7. Calls on the Commission to recognise that while the aim of ring-fencing asset classes within a default fund of a CCP is to limit contagion, it is unclear whether this will be sufficient to prevent such contagion in practice;

Amendment

7. Calls on the Commission to recognise that while the aim of ring-fencing asset classes within a default fund of a CCP is to limit contagion, it is unclear whether this will be sufficient to prevent such contagion in practice ***given that commercial incentives related to cross-margining could increase risk in the system;***

Or. en

Amendment 49
Danuta Maria Hübner

Motion for a resolution
Paragraph 8

Motion for a resolution

8. Calls on the Commission to ensure that sound principles are established governing contractual arrangements between a CCP and its clearing members and how clearing members pass on losses to their clients, in such a way that the clearing member's default fund contribution will have to be exhausted before any losses from a defaulting clearing member can be passed on to the client;

Amendment

8. Calls on the Commission to ensure that sound principles are established governing contractual arrangements between a CCP and its clearing members and how clearing members pass on losses to their clients, in such a way that the clearing member's default fund contribution will have to be exhausted before any losses from a defaulting clearing member can be passed on to the client, ***and that any contractual arrangements between a CCP and its clearing members should distinguish between losses arising from a member default and those arising from other reasons and the approach to be adopted in each case, which may be different;***

Underlines that the rights of both direct as well as indirect clients (the clients of a client of a clearing member) should be protected;

Or. en

Amendment 50
Sharon Bowles

Motion for a resolution
Paragraph 8

Motion for a resolution

8. Calls on the Commission to ensure that sound principles are established governing contractual arrangements between a CCP and its clearing members and how clearing members pass on losses to their clients, in such a way that the clearing member's default fund contribution will have to be exhausted before any losses from a defaulting clearing member can be passed

Amendment

8. Calls on the Commission to ensure that sound principles are established governing contractual arrangements between a CCP and its clearing members and how clearing members pass on losses to their clients, in such a way that the clearing member's default fund contribution will have to be exhausted before any losses from a defaulting clearing member can be passed on to the client ***and that any contractual***

on to the client;

arrangements between a CCP and its clearing members should distinguish between losses arising from other reasons and the approach to be adopted in each case, which may be different;

Or. en

Amendment 51
Olle Schmidt

Motion for a resolution
Paragraph 8

Motion for a resolution

8. Calls on the Commission to ensure that sound principles are established governing contractual arrangements between a CCP and its clearing members and how clearing members pass on losses to their clients, in such a way that the clearing member's default fund **contribution** will have to be exhausted before any losses from a defaulting clearing member can be passed on to the client;

Amendment

8. Calls on the Commission to ensure that sound principles are established governing contractual arrangements between a CCP and its clearing members and how clearing members pass on losses to their clients **as part of the default waterfall**, in such a way that the clearing member's default fund will have to be exhausted before any losses from a defaulting clearing member can be passed on to the client **as part of a transparent loss allocation process**;

Or. en

(The process of using resolution tools should be transparent and clear for all members.)

Amendment 52
Danuta Maria Hübner

Motion for a resolution
Paragraph 8 – subparagraph 1 a (new)

Motion for a resolution

Amendment

All CCPs should have in place comprehensive recovery arrangements which provide protection over and above the funds and resources required by

EMIR. These recovery plans should provide protection against all foreseeable circumstances, and should be included and published as part of the CCP's rules. It is important that there is no ambiguity between the recovery phase (when the CCP takes emergency action in close discussion with its regulators) and the resolution phase (when the regulators take over).

Or. en

**Amendment 53
Danuta Maria Hübner**

**Motion for a resolution
Paragraph 8 – subparagraph 1 b (new)**

Motion for a resolution

Amendment

In order to allow the recovery arrangements maximum chance of success, the resolution arrangements should be triggered once the recovery arrangements have failed or are considered likely to fail.

Or. en

**Amendment 54
Leonardo Domenici**

**Motion for a resolution
Paragraph 8 a (new)**

Motion for a resolution

Amendment

8a. Considers it necessary to make a clear distinction between the recovery and resolution phase regarding all market infrastructures subject to the future rules, especially in the case of CCPs. To this end, it is necessary to assign clearly to

each additional targets and responsibilities, formulate unequivocal criteria for entry into the resolution phase and establish the resources which can be made available to the resolution authorities;

Or. it

Amendment 55
Leonardo Domenici

Motion for a resolution
Paragraph 8 a (new)

Motion for a resolution

Amendment

8a. Resolution concerns what happens when a firm goes bankrupt and allocating the losses in the most efficient way in order to contain them and limit spill-over effects beyond immediate creditors to the broader economy and society;

Or. en

Amendment 56
Kay Swinburne

Motion for a resolution
Paragraph 8 a (new)

Motion for a resolution

Amendment

8a. Recognises that losses incurred as a result of poor investment choices by the CCP could also result in the activating of the CCP's recovery plan; calls upon the Commission to ensure that the CCP's risk committee is kept fully apprised of the CCP's investments in order to maintain appropriate oversight; recovery tools such as suspension of dividends and payment of variable remuneration or voluntary

restructuring of liabilities through debt-to-equity conversion should be considered the most appropriate tools to be used in these circumstances;

Or. en

Amendment 57
Krišjānis Kariņš

Motion for a resolution
Paragraph 8 a (new)

Motion for a resolution

Amendment

8a. Underlines that a system which requires non-bank financial institutions to draw up recovery plans for the evaluation by the supervisory authority is necessary;

Or. en

Amendment 58
Leonardo Domenici

Motion for a resolution
Paragraph 8 b (new)

Motion for a resolution

Amendment

8b. Resolution laws cannot be a way to create obligations for players in order to recapitalise a financial firm be it a CCP, a CSD or a bank;

Or. en

Amendment 59
Leonardo Domenici

Motion for a resolution
Paragraph 8 b (new)

Motion for a resolution

Amendment

8b. Believes that the resolution authorities should be given the necessary degree of discretion in assessing the situation, as well as a certain margin of manoeuvre, enabling them to justify their decisions in accordance with very specific criteria:

(i) where the sustainability of the market financial infrastructure or asset manager in question is in the process of being, or is already, seriously compromised because of their inability to comply with the prudential requirements applicable,

(ii) where there is no alternative to entry into the resolution phase if the situation is to be rectified effectively and without compromising the stability of the financial system,

(iii) where a resolution measure is necessary in the public interest insofar as it makes it possible to achieve one or more objectives of the resolution using proportionate means;

Or. it

Amendment 60
Leonardo Domenici

Motion for a resolution
Paragraph 8 c (new)

Motion for a resolution

Amendment

8c. Considers it necessary to establish that the competent authorities may intervene upstream of the resolution phase so as to ensure that recovery is clearly possible;

Or. it

Amendment 61
Leonardo Domenici

Motion for a resolution
Paragraph 8 d (new)

Motion for a resolution

Amendment

8d. Considers that, in order to guarantee the effectiveness of the resolution mechanism, it is necessary to guarantee that a normal insolvency procedure may be initiated in respect of an entity subject to a resolution procedure where the conditions necessary for this are considered to have been met;

Or. it

Amendment 62
Burkhard Balz

Motion for a resolution
Paragraph 9

Motion for a resolution

Amendment

9. Asserts that the dividing-line between recovery and resolution in the case of CCPs **is when the default waterfall is exhausted, necessitating** the option for the supervisor to remove the CCP's management board;

9. Asserts that **reaching** the dividing-line between recovery and resolution in the case of CCPs **shall necessitate** the option for the supervisor to remove the CCP's management board;

Or. en

Amendment 63
Kay Swinburne

Motion for a resolution
Paragraph 9

Motion for a resolution

9. Asserts that the dividing-line between recovery and resolution in the case of CCPs is when the default waterfall is exhausted, ***necessitating the option for the supervisor to remove*** the CCP's management board;

Amendment

9. Asserts that the dividing-line between recovery and resolution in the case of CCPs is when the default waterfall is exhausted, ***at this point the supervisor should actively consider the option of removing*** the CCP's management board ***should no alternative recovery tools be agreed between the CCP and its clearing members directly***;

Or. en

Amendment 64

Philippe Lamberts

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 9

Motion for a resolution

9. Asserts that the dividing-line between recovery and resolution in the case of CCPs is when the ***default waterfall is exhausted***, necessitating the option for the ***supervisor*** to remove the CCP's management board;

Amendment

9. Asserts that the dividing-line between recovery and resolution in the case of CCPs is when the ***loss absorption capacity of the CCP has been depleted and there is no reasonable prospect that action by the CCP can rapidly restore it to the level required under EMIR***, necessitating the option for the ***resolution authority*** to remove the CCP's management board ***and take over operational control of the CCP***;

Or. en

Amendment 65

Sharon Bowles

Motion for a resolution

Paragraph 9

Motion for a resolution

9. Asserts that the dividing-line between recovery and resolution in the case of CCPs is when the default waterfall is exhausted, necessitating the option for the supervisor to remove the CCP's management board;

Amendment

9. Asserts that the dividing-line between recovery and resolution in the case of CCPs is when the default waterfall (***which should include any loss allocation arrangements identified in its recovery plan***) is exhausted, necessitating the option for the supervisor to remove the CCP's management board ***and that considerations should be given as to whether transfer of critical services and resolutions should always take place at this juncture***;

Or. en

Amendment 66
Olle Schmidt

Motion for a resolution
Paragraph 9

Motion for a resolution

9. Asserts that the dividing-line between recovery and resolution in the case of CCPs is when the default waterfall ***is*** exhausted, necessitating the option for the supervisor to remove the CCP's management board;

Amendment

9. Asserts that the dividing-line between recovery and resolution in the case of CCPs is when the default waterfall ***including the loss allocation arrangements described in its recovery plan are*** exhausted, necessitating the option for the supervisor to remove the CCP's management board;

Or. en

(Is of the opinion that the resolution begins once the CPP has exhausted the default waterfall and its loss allocation arrangements in its recovery plan.)

Amendment 67
Danuta Maria Hübner

Motion for a resolution
Paragraph 9 – subparagraph 1 a (new)

Motion for a resolution

Amendment

Stresses the need to treat "continuity of service" as a key resolution objective.

Or. en

Amendment 68
Elena Băsescu

Motion for a resolution
Paragraph 9 a (new)

Motion for a resolution

Amendment

9a. Acknowledges that CCPs have clearing members from a large number of countries, therefore a CCP resolution framework will be effective when it is effective in all the jurisdictions involved; consequently, national insolvency frameworks have to be updated to accommodate the new European resolution regime;

Or. en

Amendment 69
Danuta Maria Hübner

Motion for a resolution
Paragraph 10

Motion for a resolution

Amendment

10. Underlines that any voluntary participation of clearing members in loss allocation before removal of the CCP's management should not involve client money, while the resolution authority, once responsible, may employ loss

10. In being required to provide robust defence against all foreseeable circumstances, recovery arrangements will inevitably include measures which impact their clearing members, and this should not be ruled out as part of a CCP's

allocation tools such as variation margin cutting or refilling of the default fund by the non-defaulting clearing members;

recovery arrangements. A CCP's supervisor should ensure that a CCP's recovery plans are appropriate and equitable as well as robust;

Or. en

Amendment 70
Burkhard Balz

Motion for a resolution
Paragraph 10

Motion for a resolution

10. Underlines that *any voluntary participation of clearing members in loss allocation before removal of the CCP's management should not involve client money, while* the resolution authority, once responsible, may employ loss allocation tools such as variation margin cutting or refilling of the default fund by the non-defaulting clearing members;

Amendment

10. Underlines that *loss allocation may involve client money in case of a CCP's recovery, after clearing member money has already been involved; therefore recommends that the recovery plans of CCPs include distinct information on the potential level of costs that may be passed on by clearing members to their clients; suggests further that* the resolution authority, once responsible, may employ loss allocation tools such as variation margin cutting or refilling of the default fund by the non-defaulting clearing members;

Or. en

Amendment 71
Olle Schmidt

Motion for a resolution
Paragraph 10

Motion for a resolution

10. Underlines that any *voluntary* participation of clearing members in loss allocation before removal of the CCP's management should not involve client

Amendment

10. Underlines that any *mandatory* participation of clearing members in loss allocation before removal of the CCP's management should not involve client

money, while the **resolution authority, once responsible**, may employ loss allocation tools such as variation margin cutting or refilling of the default fund by the non-defaulting clearing members;

money, while the **CCP's default waterfall**, may employ loss allocation tools such as variation margin cutting or refilling of the default fund by the non-defaulting clearing members;

Or. en

(Depending of the organization of the participation in the clearing it should be possible to involve also other participant than direct clearing member in a loss allocation scheme.)

Amendment 72
Leonardo Domenici

Motion for a resolution
Paragraph 10 a (new)

Motion for a resolution

Amendment

10a. Member States shall ensure that, when applying the resolution tools and exercising the resolution powers, resolution authorities take all appropriate measures to ensure that the resolution action is taken in accordance with the following principles:

(a) the resolution tools are applied and the resolution powers are exercised according to the resolution plan where appropriate;

(b) claims of indirect client are adequately protected.

Member States shall ensure that resolution tools are applied proportionally and in accordance with the legal form of the financial market infrastructure concerned.

For the purposes of paragraph 10a (b), Member States shall ensure that indirect clients' claims are granted preferential treatment.

Or. en

Amendment 73
Olle Schmidt

Motion for a resolution
Paragraph 11

Motion for a resolution

11. Believes that if the resolution authority had the ability to impose a stay on early termination rights, ***alongside the lifting of the clearing obligation which would pause the CCP for a maximum period of two days, this could allow the market to correctly re-price the contracts, thus allowing for a more orderly diffusion of risk;***

Amendment

11. Believes that if the resolution authority had the ability to impose a stay on early termination rights ***this could allow the market to correctly re-price the contracts, thus allowing for a more orderly diffusion of risk; the availability and exercise of such a power should be carefully considered so that it is, at a minimum, conditional on the resolution authority determining that imposition of a stay is necessary in the interests of financial stability, having regard to the resolution objectives, interplay with relevant bank or other resolution regimes applicable to clearing members, default and risk management of the CCP and the impact on each of the CCP's markets, clearing participants and financial markets generally;***

Or. en

(The consequences of lifting of the clearing obligation are unclear and untested and should therefore be removed.)

Amendment 74
Jürgen Klute

Motion for a resolution
Paragraph 11

Motion for a resolution

11. Believes that if the resolution authority had the ability to impose a stay on early termination rights, alongside the lifting of the clearing obligation which would pause the CCP for a maximum period of two

Amendment

11. Believes that if the resolution authority had the ability to impose a stay on early termination rights, alongside the lifting of the clearing obligation which would pause the CCP for a maximum period of two

days, this could allow the market to correctly re-price the contracts, thus allowing for a more orderly diffusion of risk;

days, this could allow the market to correctly re-price the contracts, thus allowing for a more orderly diffusion of risk *whereby the lifting of a clearing obligation should be a means of last resort after it has at least been examined whether another CCP could provide the clearing in the short term or the respective products could be suspended from trading for a limited period of time;*

Or. en

Amendment 75
Danuta Maria Hübner

Motion for a resolution
Paragraph 11 – subparagraph 1 a (new)

Motion for a resolution

Amendment

Central counterparties with a banking licence should be subject to a central counterparty-specific regime and not to the proposed bank recovery and resolution regime of the bank recovery and resolution directive (BRR). Of particular concern in this sense is the fact that the proposed regime for banks would require them to hold an aggregate amount of debt that can be bailed-in. Such a power would be inappropriate for central counterparties holding a banking licence because they do not tend to issue such debt instruments;

Or. en

Amendment 76
Śławomir Nitras

Motion for a resolution
Paragraph 11 a (new)

Motion for a resolution

Amendment

11a. Given the crucial role of the CCPs to local markets, relevant national authorities should have legal instruments to intervene in an ailing central counterparty when no other solution is possible. The appropriate policy response, respecting the principle of subsidiarity, should be to adopt a set of non-binding guidelines that would assist the Member States complement their national resolution regimes. If national legal systems prove generally unfitted to effective handling of crisis situation concerning CCPs, especially with an international dimension, then adoption of a directive could be considered. Anyway, such a directive should leave the Member States wide discretion which instruments to adopt with regard to institutions under their authority.

Or. en

Amendment 77
Kay Swinburne

Motion for a resolution
Paragraph 12

Motion for a resolution

12. Establishes that it is the responsibility of a CSD to ensure that its recovery plan clearly provides for operational continuity in reasonable crisis scenarios so that, even if other parts of its business can be disposed of, its primary settlement function can continue;

Amendment

12. Establishes that it is the responsibility of a CSD to ensure that its recovery plan clearly provides for operational continuity in reasonable crisis scenarios so that, even if other parts of its business can be disposed of, its primary settlement function ***as well as the other core services of the CSD can continue to be performed by the CSD or an existing third party provider, as authorised under CSDR;***

Or. en

Amendment 78
Danuta Maria Hübner

Motion for a resolution
Paragraph 12

Motion for a resolution

12. Establishes that it is the responsibility of a CSD to ensure that its recovery plan clearly provides for operational continuity in reasonable crisis scenarios so that, even if other parts of its business can be disposed of, its **primary settlement function** can continue;

Amendment

12. Establishes that it is the responsibility of a CSD to ensure that its recovery plan clearly provides for operational continuity in reasonable crisis scenarios so that, even if other parts of its business can be disposed of, its **critical functions** can continue;

Or. en

Amendment 79
Olle Schmidt, Philippe De Backer

Motion for a resolution
Paragraph 12

Motion for a resolution

12. Establishes that it is the responsibility of a CSD to ensure that its recovery plan clearly provides for operational continuity in reasonable crisis scenarios so that, even if other parts of its business can be disposed of, its **primary settlement function** can continue;

Amendment

12. Establishes that it is the responsibility of a CSD to ensure that its recovery plan clearly provides for operational continuity in reasonable crisis scenarios so that, even if other parts of its business can be disposed of, its **critical functions** can continue;

Or. en

(Not only the settlement function but also the access to the book-entry system and the financial instruments in such systems could be critical in a crisis scenario.)

Amendment 80
Sharon Bowles

Motion for a resolution
Paragraph 12

Motion for a resolution

12. Establishes that it is the responsibility of a CSD to ensure that its recovery plan clearly provides for operational continuity in reasonable crisis scenarios so that, even if other parts of its business can be disposed of, its **primary settlement function** can continue;

Amendment

12. Establishes that it is the responsibility of a CSD to ensure that its recovery plan clearly provides for operational continuity in reasonable crisis scenarios so that, even if other parts of its business can be disposed of, its **'critical functions'**, can continue;

Or. en

(See definition of 'Critical functions' in FSB's consultative report on 'Application of the Key Attributes of Effective Resolution Regimes to Non-Bank Financial Institutions' in August 2013)

Amendment 81
Jürgen Klute

Motion for a resolution
Paragraph 12 a (new)

Motion for a resolution

Amendment

12a. Demands that the Commission ensures CCPs act in the general public interest and adopt their business strategies accordingly in order to significantly reduce the likelihood of triggering recovery and resolution scenarios;

Or. en

Amendment 82
Danuta Maria Hübner

Motion for a resolution
Paragraph 13

Motion for a resolution

13. Calls, if no separate legislative proposal is imminent, for inclusion in the CSDR of references to the articles of the **BRRD** that should apply to those CSDs operating under a banking licence;

Amendment

13. Calls, if no separate legislative proposal is imminent, for inclusion in the CSDR of ***a requirement for national competent authorities to ensure the establishment of appropriate recovery and resolution plans in line with international standards for all CSDs, including*** references to the articles of the **BRR** that should apply to those CSDs operating under a banking licence;

Or. en

Amendment 83

Olle Schmidt, Philippe De Backer

Motion for a resolution

Paragraph 13

Motion for a resolution

13. Calls, if no separate legislative proposal is imminent, for inclusion in the CSDR of ***references to the articles of the BRRD that should apply to*** those CSDs operating under a banking licence;

Amendment

13. Calls, if no separate legislative proposal is imminent, for inclusion in the CSDR of ***a requirement for national competent authorities to ensure the establishment of appropriate recovery and resolution plans in line with international standards for all CSDs, such plans are very important for*** those CSDs operating under a banking licence;

Or. en

(In the short run it is important with recovery and resolution plans for all CSDs and in particular for those CSDs operating under a banking license.)

Amendment 84

Sharon Bowles

Motion for a resolution

Paragraph 13

Motion for a resolution

13. Calls, if no separate legislative proposal is imminent, for inclusion in the CSDR of references ***to the articles of the BRRD*** that should apply to ***those CSDs operating under a banking licence***;

Amendment

13. Calls, if no separate legislative proposal is imminent, for inclusion in the CSDR of ***appropriate*** references ***for recovery and resolution, building on the FSB and CPSS-IOSCO requirements***, that should apply to ***CSDs***;

Or. en

Amendment 85

Olle Schmidt, Philippe De Backer

Motion for a resolution

Paragraph 14

Motion for a resolution

14. Calls on the Member States, ***in the absence of Securities Law Legislation***, to coordinate their existing special administration regimes for CSDs in order to improve certainty as to how operational continuity will be maintained in a crisis, ***in particular by*** ensuring access to registries ***for the resolution authority so as to identify the owners of assets***;

Amendment

14. Calls on the Member States ***to develop and*** coordinate their existing special administration regimes for CSDs in order to improve certainty as to how operational continuity will be maintained in a crisis. ***The competent authorities should aim at developing a solution*** ensuring ***no disruption of the*** access to ***records [registries, accounts or other] evidencing rights of participants or third parties to securities***;

Or. en

(SLL will probably not solve the problem with different rules in the Member States regarding the treatment of client assets regimes in a bankruptcy situation and in absent of a full harmonization of insolvency law it is important with a special administration regime for CSDs. Such regime should ensure the access to the book-entry system and the information about the financial instruments in those systems.)

Amendment 86

Kay Swinburne

Motion for a resolution
Paragraph 14

Motion for a resolution

14. Calls on the Member States, in the absence of Securities Law Legislation, to coordinate their existing special administration regimes for CSDs in order to improve certainty as to how operational continuity will be maintained in a crisis, in particular by ensuring access to registries **for** the resolution authority **so as** to identify the owners of assets;

Amendment

14. Calls on the Member States, in the absence of Securities Law Legislation, to **develop and** coordinate their existing special administration regimes for CSDs in order to improve certainty as to how operational continuity will be maintained in a crisis, in particular by ensuring access to **the registries, records or accounts of the CSD so** the resolution authority **or national competent authority is easily able** to identify the owners of assets;

Or. en

Amendment 87
Olle Schmidt

Motion for a resolution
Paragraph 14 a (new)

Motion for a resolution

14a. Calls on the Commission to ensure that the proposal for a recovery and resolution framework for CSDs ensures – as far as possible – the continuity of the CSDs during the recovery and resolution;

Or. en

Amendment 88
Philippe De Backer

Motion for a resolution
Paragraph 14 a (new)

Motion for a resolution

Amendment

14a. Calls on the Commission to ensure

that the proposal for a recovery and resolution framework for CSDs ensures continuity of the CSDs' legislative environment, in particular by respecting the Settlement Finality Directive, Delivery versus Payment arrangements, the operation of any CSD link, and contracts with critical service providers during the recovery and resolution;

Or. en

Amendment 89
Sharon Bowles

Motion for a resolution
Paragraph 15

Motion for a resolution

Amendment

15. Calls on the Member States to implement Solvency II within a reasonable time-frame, and calls for the completion of negotiations on Omnibus II so that EIOPA can effectively regulate insurance undertakings;

deleted

Or. en

Amendment 90
Peter Skinner

Motion for a resolution
Paragraph 15

Motion for a resolution

Amendment

15. Calls on the Member States to implement Solvency II within a reasonable time-frame, and calls for the completion of negotiations on Omnibus II so that *EIOPA can effectively regulate insurance undertakings;*

15. Calls on the Member States to implement Solvency II within a reasonable time-frame *set out in Omnibus II*, and calls for the completion of negotiations on Omnibus II so that *levels two and three of Solvency II can be finalised in a timely manner;*

Amendment 91
Elena Băsescu

Motion for a resolution
Paragraph 15

Motion for a resolution

15. ***Calls on the*** Member States ***to implement*** Solvency II within a reasonable time-frame, and calls for the completion of negotiations on Omnibus II so that EIOPA can effectively regulate insurance undertakings;

Amendment

15. ***Stresses the importance of a consistent and convergent approach by*** Member States ***towards the implementation of*** Solvency II within a reasonable time-frame and calls for the completion of negotiations on Omnibus II so that EIOPA can effectively regulate insurance undertakings;

Amendment 92
Philippe Lamberts
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 15

Motion for a resolution

15. Calls on the Member States to implement Solvency II within a reasonable time-frame, and calls for the completion of negotiations on Omnibus II so that EIOPA can effectively regulate insurance undertakings;

Amendment

15. Calls on the Member States to implement Solvency II within a reasonable time-frame, and calls for the completion of negotiations on Omnibus II, ***in particular with regard to the measures to ensure effective systemic and policyholder safeguards on products with Long Term Guarantees***, so that EIOPA can effectively regulate insurance undertakings ***and thus keep to a minimum the probability of resolution authorities having to step in***;

Amendment 93
Kay Swinburne

Motion for a resolution
Paragraph 15 a (new)

Motion for a resolution

Amendment

15a. Calls upon the Commission to further develop the IAIS methodology for designating Systemically Important Insurers placing most weighting upon non-traditional insurance activities (NTNI) and interconnectedness within the EU, followed by size, European activity and substitutability;

Or. en

Amendment 94
Sharon Bowles

Motion for a resolution
Paragraph 15 a (new)

Motion for a resolution

Amendment

15a. Notes that in the EU there is longstanding prudential regulation for insurance. Considers the completion of Omnibus II and implementation of Solvency II are important improvements for that regulatory framework;

Or. en

Amendment 95
Peter Skinner

Motion for a resolution
Paragraph 16

Motion for a resolution

16. Calls on the Commission to take into account the IAIS's work on recovery and resolution of insurers, and to consider ***what action is needed to implement it;***

Amendment

16. Calls on the Commission to take into account the IAIS's work on recovery and resolution of insurers, and to consider ***it within the context of level two of Solvency II, Financial Conglomerates legislation, and the Insurance Mediation Directive; urges the Commission to proceed with legislation on Insurance Guarantee Schemes to solidify recovery and resolution mechanisms of insurance undertakings;***

Or. en

Amendment 96
Kay Swinburne

Motion for a resolution
Paragraph 16

Motion for a resolution

16. Calls on the Commission to take into account the IAIS's work on recovery and resolution of insurers, and ***to consider what action is needed*** to implement it;

Amendment

16. Calls on the Commission to ***closely*** take into account the IAIS's work on recovery and resolution of insurers, and ***work with international partners to follow the timetable established by the FSB*** to implement ***the policy recommendations surrounding recovery and resolution planning requirements, enhanced group supervision and higher loss absorbency requirements;***

Or. en

Amendment 97
Philippe Lamberts
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 16

Motion for a resolution

16. Calls on the Commission to take into account the IAIS's work on recovery and resolution of insurers, and to consider what action is needed to implement it;

Amendment

16. Calls on the Commission to take into account the IAIS's work on recovery and resolution of insurers, ***in particular the recommendation to have recovery and resolution plans as well as resolvability assessments in place for systemic insurers by the end of 2014¹*** and to consider what action is needed to implement it;

¹ see proposed timetable on p31 of 'Global Systemically Important Insurers: Policy Measures', IAIS, 18 July 2013

Or. en

Amendment 98

Danuta Maria Hübner

Motion for a resolution

Paragraph 16 – subparagraph 1 a (new)

Motion for a resolution

Amendment

Recovery and resolution plans in the insurance sector will need to take into account developments in Solvency II. The latter should also be swiftly adopted.

Or. en

Amendment 99

Danuta Maria Hübner

Motion for a resolution

Paragraph 16 – subparagraph 1 b (new)

Motion for a resolution

Amendment

The long term nature of insurance liabilities, along with the tools available to

regulators, provide for efficient resolution practices. Accelerated resolution measures are not needed for insurers and would also not be in the interest of consumers. Ensuring the fulfilment of insurance obligation for them is more important in the long run than a one-time compensation. The focus should therefore be on recovery.

Or. en

Amendment 100
Philippe Lamberts
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 16 a (new)

Motion for a resolution

Amendment

16a. Regrets that the IAIS and FSB have postponed the publication of guidelines on the assessment of the systemic status of and policy recommendations for reinsurers until July 2014; Calls on the Commission to look carefully at the systemic risk posed by reinsurance, especially with regard to their central role in insurance risk management, their high degree of interconnectedness and poor substitutability;

Or. en

Amendment 101
Sharon Bowles

Motion for a resolution
Paragraph 16 a (new)

Motion for a resolution

Amendment

16a. Notes again the different timescales,

long run off periods, and business nature of insurance compared to banking;

Or. en

Amendment 102

Ramon Tremosa i Balcells

Motion for a resolution

Paragraph 17

Motion for a resolution

17. Calls on the Commission to assess whether any asset managers should be designated as systemically important due to their size or business model and would therefore require a recovery plan;

Amendment

deleted

Or. en

Amendment 103

Corien Wortmann-Kool

Motion for a resolution

Paragraph 17

Motion for a resolution

17. Calls on the Commission to assess whether any asset managers should be designated as systemically important *due to* their size *or* business model *and would therefore require a recovery plan;*

Amendment

17. Calls on the Commission to assess whether any asset managers should be designated as systemically important, *taking into account a comprehensive set of indicators such as* their size, business model, *risk profile, creditworthiness, whether or not they trade on own account, are subject to requirements regarding the segregation of the assets of their clients and other relevant factors;*

Or. en

Amendment 104
Jürgen Klute

Motion for a resolution
Paragraph 17

Motion for a resolution

17. Calls on the Commission to assess **whether any** asset managers should be designated as systemically important due to their size or business model and **would** therefore require a recovery plan;

Amendment

17. Calls on the Commission to assess **which** asset managers should be designated as systemically important due to their size or business model and therefore require a recovery plan;

Or. en

Amendment 105
Sharon Bowles

Motion for a resolution
Paragraph 17

Motion for a resolution

17. Calls on the Commission to assess whether any asset managers should be designated as systemically important due to their size or business model and would therefore require a recovery plan;

Amendment

17. Calls on the Commission to assess whether any asset managers should be designated as systemically important due to their **scope of activity**, size or business model and would therefore require a recovery plan;

Or. en

Amendment 106
Leonardo Domenici

Motion for a resolution
Paragraph 17

Motion for a resolution

17. Calls on the Commission to assess **whether any** asset managers **should be designated as systemically important due**

Amendment

17. Calls on the Commission to **carefully** assess **the systemic importance of** asset managers **based on** their size, **their**

to their size *or* business model and would therefore require a recovery plan;

business model *and geographical scope* and would therefore require a *suitable* recovery plan;

Or. it

Amendment 107

Sharon Bowles

Motion for a resolution

Paragraph 17 a (new)

Motion for a resolution

Amendment

17a. Notes that client assets are segregated and held with custodians and thus the ability for these assets to be transferred to another asset manager is a substantial safeguard;

Or. en

Amendment 108

Jürgen Klute

Motion for a resolution

Paragraph 18

Motion for a resolution

Amendment

18. Believes that an effective securities law regime could mitigate *many* of the issues involved in case of failure of a large crossborder asset manager;

18. Believes that an effective securities law regime could mitigate *some* of the issues involved in case of failure of a large crossborder asset manager;

Or. en

Amendment 109

Philippe Lamberts

on behalf of the Verts/ALE Group

Motion for a resolution

Subheading 4 a (new)

Motion for a resolution

Amendment

Shadow banking

Or. en

Amendment 110

Philippe Lamberts

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 18 a (new)

Motion for a resolution

Amendment

18a. Calls on the Commission to complement its work on aspects of the Shadow Banking System with an assessment of the systemic risk posed by financial institutions such as finance companies and securities entities providing credit or credit guarantees or performing liquidity and/or maturity transformation without being regulated as banks and the need for a specific regime for their orderly wind down;

Or. en

Amendment 111

Danuta Maria Hübner

Motion for a resolution

Paragraph 20 – subparagraph 1 a (new)

Motion for a resolution

Amendment

Since payment systems are at the heart of all cash transfers, it is clear that a market perturbation in such a system would have significant spillovers on other financial market actors. The 1998 Settlement Finality Directive already aims to mitigate

potential risks in payment systems. The directive however does not go sufficiently into recovery and resolution, and specific provisions need to be made in order to allow payments systems to adequately react to adverse circumstances.

Or. en