

**Question for written answer P-3771/2010
to the Commission**
Rule 117
Kristian Vigenin (S&D)

Subject: Possible European Commission responses to political interference in the activities of independent financial supervisory bodies

The European Union is in a situation which requires a serious bolstering of financial stability in both the banking and non-banking sectors.

In 2003, Bulgaria created the Financial Supervision Committee (FSC), which is an institution independent from the executive authority and accountable to the Bulgarian parliament.

The precise role of the FSC is to contribute through judicial, administrative and informational means to bolster the stability and transparency of the investment, insurance and social insurance markets. The FSC has formed a successful partnership with the European Institutions, and two EU-financed educational twinning projects are currently running in Bulgaria.

The new Bulgarian Government is disrupting the work of the FSC with the end goal of bringing it under political control. In recent months, various ideas have been mooted for its closure and restructuring, and the replacement of its members. In violation of the legislation on the FSC, its budget has been cut by many times more than those of other institutions and administrations.

The majority government adopted the amendments to the legislation on the FSC at first reading. The main aim of those amendments is to terminate the mandate of all the FSC members in the first year of their six-year term-of-office and to appoint more politically-suitable members who will be under the direct political influence of the majority. This flies in the face of internationally-recognised principles as regards the functioning of that regulatory body as an independent institution.

Since actions such as these in individual Member States have the potential to disrupt the whole of the EU internal market, could the Commission state:

1. Whether it is aware of the situation in Bulgaria and whether similar situations have already arisen in other EU Member States?
2. Whether it considers that the adoption of such extraordinary measures by a Member State should not be agreed in advance?
3. What possible responses are open to it, and whether there is a need to strengthen its authority in the field of financial supervision so that it can block attempts at political interference in independent supervisory institutions?