



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Riksdag for its Reasoned Opinion on the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority) and amending Regulation (EU) No 648/2012 as regards the procedures and authorities involved for the authorisation of CCPs and requirements for the recognition of third-country CCPs {COM(2017) 331 final}.

The Commission shares the Riksdag's consideration that appropriate supervisory arrangements for central counterparties in the European Union and third countries are necessary and that given that Central Counterparties (CCPs) in the European Union and in third countries are growing in importance in the financial system, there are grounds for reviewing the regulatory framework promoting supervisory convergence and reducing the risks to the financial stability of the Union. The Commission therefore proposes an enhanced supervision for Central Counterparties with a greater involvement of the European Securities and Markets Authority (ESMA) and the relevant central banks of issue of all relevant Union currencies, including the Swedish Riksbank.

The Commission takes seriously the concerns expressed by the Riksdag as regards the supervisory structure for Central Counterparties. As the services offered by Central Counterparties are cross-border by nature and in addition are very important for the functioning of the payment systems and monetary policy of the central banks in the Union, the Commission sees a greater involvement of both the relevant central banks of issue and ESMA as necessary in order to ensure that supervision takes into account the relevance of Central Counterparties for financial stability across the EU. The subsidiarity principle, which has been duly assessed in the Commission's accompanying impact assessment, does not point to the contrary.

*Mr Urban AHLIN
Speaker of the Riksdag
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The Commission shares the Riksdag's concern that an effective supervisory architecture is key to achieve the aims of the proposal. The Commission is convinced that the governance structure it proposes reaches that aim, but is of course open to improvements which could be introduced in the ongoing negotiations in the European Parliament and in the Council. An important part of this approach concerns the governance of ESMA and an appropriate supervisory architecture, taking into account the existing tools to promote supervisory convergence within the Union. In this respect it is perhaps useful to clarify that the Commission does not intend to give the relevant central banks a mandate to supervise Central Counterparties. Their competences are linked and limited to their monetary policy tasks and do not make them additional supervisory authorities in addition to the national competent authorities and ESMA.

With regard to Central Counterparties established in a third country, the Commission is convinced that the possibility of refusing the recognition of services provided by a substantially systemic third-country Central Counterparties, which may require that Central Counterparties to establish the provision of those services in the Union, is necessary to safeguard the financial stability of the Union and its Member States. For a detailed analysis of the consequences, the Commission would like to point to the impact assessment¹ accompanying this Commission proposal. Possible improvements or clarification of the text, e.g. stressing that this is a measure of last resort, or introducing an adaptation period for substantially systemic third-country Central Counterparties, could be discussed in the ongoing negotiations in the European Parliament and in the Council, where the Swedish government is represented.

The Commission hopes that these clarifications address the issues raised by the Riksdag and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Valdis Dombrovskis
Vice-President*

¹ https://ec.europa.eu/info/law/better-regulation/initiatives/com-2017-331_en