



EUROPEAN COMMISSION

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*Dear Speaker,*

*The Commission would like to thank the Riksdag for its Reasoned Opinion on the proposal for a Regulation of the European Parliament and the Council amending the Regulations establishing the European Supervisory Authority (European Banking Authority), establishing the European Supervisory Authority (European Insurance and Occupational Pensions Authority), establishing the European Supervisory Authority (European Securities and Markets Authority) and amending the Regulations on European venture capital funds; on European social entrepreneurship funds; on markets in financial instruments; on European long-term investment funds; on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds; and on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market {COM(2017) 536 final}.*

*The proposal forms part of the Commission's efforts to promote further integration of the single financial services market and, in particular, the completion of a Capital Markets Union. The financial services market and capital market integration are the main roads to improved competitiveness for the Union's financial sector and the European economy as a whole. Therefore, it is a priority for this Commission to put in place all the necessary building blocks of an integrated capital market in the European Union by 2019.*

*Capital market integration requires an enhanced supervisory framework to be developed in parallel, because the provision of financial services across borders is more efficient, effective and less prone to cause stability concerns when activities are regulated and supervised in a consistent manner in all Member States across the European Union. This is why the proposal for a review of the European system of financial supervision gravitates around the enhancement of the tools and competences of the European Supervisory Authorities to promote further supervisory integration, which is a fundamental part of the Capital Markets Union project.*

*Mr Urban AHLIN  
Speaker of the Riksdag  
SE – 100 12 STOCKHOLM*

*The Commission welcomes the Riksdag's support to the review of the European Supervisory Authorities and its view that strengthening supervision plays an important part in promoting integration and integrity of the financial markets. The Commission also takes good note of the Riksdag's view that the proposal impinges on the principle of subsidiarity with regard to granting the European Securities and Markets Authority direct competence to approve certain prospectuses, to supervise certain types of funds, and regarding the European Supervisory Authorities' role to set non-binding priorities at European level for supervisory convergence. In this respect, the Commission would like to provide the following clarifications.*

*With regard to prospectuses issued by specialised issuers, the objective of the proposal is to streamline the process for approving prospectuses to be distributed across borders, including those of a very technical and complex nature, by establishing a single point of entry to tap the capital markets of the Union. As regards the supervision of certain types of funds, more specifically the European Union label collective investment funds, while the European Securities and Markets Authority will have to apply national law in certain specific situations, this should not be an obstacle to reap the broader benefits of having single supervision of products that are specifically conceived as cross-border products and where there are important divergences in supervisory approaches today.*

*Finally, the Commission takes note of the Riksdag's concerns regarding the proposed provisions on strategic supervisory plans for Member States' national authorities. The proposal intends to provide a tool to address common priorities and challenges in a shared manner. This would not as such exclude that Member State competent authorities equally take into account national specific priorities in their final work programmes. The mechanism regarding strategic supervisory plans grants both Member States' competent authorities and the European Supervisory Authorities sufficient flexibility to avoid undue administrative burden.*

*The points made above are based on the initial proposal presented by the Commission which is currently in the legislative process involving both the European Parliament and the Council.*

*The Commission hopes that the clarifications provided in this reply address the issues raised by the Riksdag and looks forward to continuing the dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Valdis Dombrovskis  
Vice-President*