



Jean-Claude Juncker,
President of the European Commission

Mission Letter

Brussels, 1 November 2014

Jonathan Hill

Commissioner for Financial Stability, Financial Services and Capital Markets Union

Dear Jonathan,

You are becoming a Member of the new European Commission at a particularly challenging time for the European Union. With the start of the new Commission, we have an exceptional opportunity, but also an obligation, to make a fresh start, to address the difficult geo-political situation, to strengthen economic recovery and to build a Europe that delivers jobs and growth for its citizens.

I want the new Commission to be a strong and political team. And I want you, with your political skills and experience, to fully play your part in this team.

We will have a lot to do in the years to come and we will have to show a united and clear sense of purpose from our very first day in office. In the Political Guidelines for the new European Commission that I presented to the European Parliament on 15 July, I set out a new Agenda for Jobs, Growth, Fairness and Democratic Change, focused on ten priorities. I had discussed and developed this Agenda in detail in meetings with all the political groups in the European Parliament. The Political Guidelines are, therefore, somewhat akin to a political contract that I concluded with the European Parliament to mark the beginning of a new mandate and to prioritise the work of the new Commission. I will be looking for your support, creativity and action to help deliver concrete results.

Following our recent discussions, I would like you to be the **Commissioner for Financial Stability, Financial Services and Capital Markets Union**. In this Mission Letter, I set out what I expect from you as a Member of the Commission as well as specific goals for which you will be responsible for reaching during our mandate.

A new way of working

Delivering the priorities of the Political Guidelines will require a reform of the way the Commission has operated up until now. Reform means change. I want us all to show that we are open to change and ready to adapt to it.

I want the Commission as a whole to be more than the sum of its parts. I therefore want us to work together as a strong team, cooperating across portfolios to produce integrated, well-grounded and well-explained initiatives that lead to clear results. I want us to overcome silo mentalities by working jointly

on those areas where we can really make a difference. We cannot and should not do everything: I want the European Commission to be bigger and more ambitious on big things, and smaller and more modest on small things. I also want us to focus our energy and efforts on ensuring effective implementation and follow-up on the ground. I count on you to play your part in this new collaborative way of working.

To facilitate this, I have decided to organise the new Commission differently from its predecessors. I will entrust a number of well-defined priority projects to the Vice-Presidents and ask them to steer and coordinate work across the Commission in the key areas of the Political Guidelines. This will allow for a better focus and a much stronger cooperation amongst Members of the College, with several Commissioners working closely together as a team, led by the Vice-Presidents, in compositions that may change according to need and as new projects develop over time.

To empower them to deliver on their priority projects, the Vice-Presidents will act on my behalf and will help exercise my rights and prerogatives in their area of responsibility. In particular, the Vice-Presidents will be in charge of:

- Steering and coordinating work in their area of responsibility. This will involve bringing together several Commissioners and different parts of the Commission to shape coherent policies and deliver results.
- Assessing how and whether proposed new initiatives fit with the focus of the Political Guidelines. As a general rule, I will not include a new initiative in the Commission Work Programme or place it on the agenda of the College unless this is recommended to me by one of the Vice-Presidents on the basis of sound arguments and a clear narrative that is coherent with the priority projects of the Political Guidelines.
- Managing and organising the representation of the Commission in their area of responsibility in the European Parliament, the Council, national Parliaments and other institutional settings as well as at international level.
- Promoting a proactive and coordinated approach to the follow-up, implementation, and communication of our priority policies across the Union and internationally.

Respect for the principles of subsidiarity, proportionality and better regulation will be at the core of the work of the new Commission. We will concentrate our efforts on those areas where only joint action at European level can deliver the desired results. When we act, we will always look for the most efficient and least burdensome approach. Beyond these areas, we should leave action to the Member States where they are more legitimate and better equipped to give effective policy responses at national, regional or local level.

I will therefore pay particular attention to the opinion of the first Vice-President, in charge of Better Regulation, Interinstitutional Relations, the Rule of Law and the Charter of Fundamental Rights, before including any new initiative in the Commission Work Programme or putting it on the agenda of the College. This Vice-President will also be entrusted with the regular monitoring of procedures linked to the preparation of delegated and implementing acts to ensure full political ownership.

I will also pay particular attention to the opinion of the Vice-President for Budget and Human Resources as regards the impact of our activities on the financial resources and staff of the European Commission. We will have the privilege of being supported by an excellent, highly motivated European civil service and a professionally well-run administration, but its resources are limited and have to be used to best effect. This is also why I will want resources to be allocated to our priorities and to make sure that every action we take delivers maximum performance and value added. I also want all Commissioners to ensure sound financial management of the programmes under their responsibility, taking all necessary measures to protect the EU budget from fraud.

Under my supervision, Vice-Presidents will be supported by the Secretariat-General in their tasks but will primarily rely on close cooperation with the relevant Commissioners and the services that report to them. In addition, Vice-Presidents will be able to draw on any service in the Commission whose work is relevant for their area of responsibility, in consultation with the relevant Commissioner.

With regard to the Union's external action, I have launched a pragmatic partnership with the new High Representative of the Union for Foreign Affairs and Security Policy, who, according to the Treaties, is one of the Vice-Presidents of the Commission. The new High Representative and I have agreed that she will play her role as a Commission Vice-President to the full. She will notably steer and coordinate the work of all Commissioners with regard to external relations through a Commissioners' Group on External Action to develop a joint approach. This Group will meet at least once a month in varying thematic and/or geographic formats, according to the needs identified by the High Representative/Vice-President or by me. The High Representative/Vice-President will regularly report back to me and the whole College about geopolitical developments. To liaise more effectively with the other Members of the College, we agreed that she will have her Headquarters in the Berlaymont, and that the Commission will put a Cabinet of an appropriate size at her disposal, about half of which will be Commission officials. We also agreed that, whenever she sees the necessity to do so, she will ask the Commissioner for European Neighbourhood Policy and Enlargement Negotiations and other Commissioners to deputise in areas related to Commission competence.

Working together in this new way across the Commission should help ensure that the final decisions we take as a College are well-prepared and focused on what is important and that we are all equipped to explain and defend them. We will have to show a team spirit to make the new system work. Our success will depend on each and every one of you: on the team leadership of the Vice-Presidents and on the readiness of Commissioners to be strong team players. I would ask you all to work together to ensure that this new system works well.

The Financial Stability, Financial Services and Capital Markets Union portfolio

You will be the Commissioner for Financial Stability, Financial Services and Capital Markets Union. You will, in particular, contribute to projects steered and coordinated by the Vice-President for Jobs, Growth, Investment and Competitiveness and the Vice-President for the Euro and Social Dialogue. For other initiatives requiring a decision from the Commission, you will, as a rule, liaise closely with the Vice-President for Jobs, Growth, Investment and Competitiveness.

In just a few years the EU has put forward an ambitious and unprecedented series of regulatory and

supervisory reforms to secure financial stability and improve the supervision of financial markets. The economic and financial crisis has shown that a much stricter control of financial markets and institutions is necessary. You should in particular ensure that the Commission remains active and vigilant in implementing the new supervisory and resolution rules fully, making European banks more robust so that they can get back to lending to the real economy. I also want you to look at the social fairness of regulation in this field: we should avoid wrong incentives for managers in these industries and aim to strengthen the rights of consumers, in particular the most vulnerable.

Laying down the building blocks of a Banking Union was a huge step forward. However, there is still significant financial fragmentation in lending markets, which mainly hurts small and medium-sized enterprises and impairs the transmission of monetary policy. Completing the policy agenda and further repairing banks' balance sheets will be essential to help credit flow to the real economy again. The next frontier will be to develop and integrate capital markets as a source of financing for innovative projects and long-term investment.

During our mandate, I would like you to focus on the following:

- Contributing, as part of the project team steered and coordinated by the Vice-President for Jobs, Growth, Investment and Competitiveness, to the jobs, growth and investment package to be presented within the first three months of our mandate, by outlining measures to improve the investment environment and presenting concrete initiatives on the long-term financing of the economy. This will include seeking appropriate ways to revive sustainable and high quality securitisation markets, to reduce the cost of raising capital in the Union and to develop alternatives to our companies' dependence on bank funding.
- Continuing to put in place a regulatory framework which ensures the resilience and stability of the financial services sector. Financial markets and institutions should be appropriately regulated and supervised with, where relevant, appropriate crisis management tools.
- Ensuring that the financial services regulatory framework takes into account the needs and interests of consumers and retail investors and proposing any necessary measures to make financial services work better for citizens.
- Ensuring timely and effective implementation of the financial services regulatory reform agenda, including the accompanying delegated/implementing acts. All necessary arrangements for the Banking Union should be made so that the Single Resolution Board is set up and operational on time.
- Reviewing the functioning and the operation of the European Systemic Risk Board and the three Supervisory Agencies ("ESAs"), including their interaction with the Single Supervisory Mechanism and the Single Resolution Mechanism. Particular attention should be paid to reviewing the governance and the financing of these Agencies. On the latter, you should find a way to eliminate EU and national budgetary contributions to the ESAs which should be wholly financed by the sectors they supervise.
- Bringing about a well-regulated and integrated Capital Markets Union, encompassing all Member

States, by 2019, with a view to maximising the benefits of capital markets and non-bank financial institutions for the real economy.

- Contributing, as part of the project team steered and coordinated by the Vice-President for the Digital Single Market, to ensure the safety and the modernisation of the Union's regulatory framework on digital/electronic payments in order to facilitate online purchases. The safety and appropriateness of certain virtual currencies should also be assessed and, where appropriate, relevant policy measures should be proposed.

To help you fulfil your responsibilities, a new Directorate-General for Financial Stability, Financial Services and Capital Markets Union will report to you.

Our principles: ethics and transparency

We must abide by the highest possible professional and ethical standards at all times. I want the European Commission to lead the way as a modern, efficient and transparent public administration, open to all input that helps us deliver work of a consistently high quality, in full independence and impartiality. Our conduct must be unimpeachable. You have received the Code of Conduct of the Members of the European Commission. I expect all of us to honour both the word and the spirit of the Code.

You will have seen that the Political Guidelines include a new commitment to transparency. Transparency should be a priority for the new Commission and I expect all of us to make public, on our respective web pages, all the contacts and meetings we hold with professional organisations or self-employed individuals on any matter relating to EU policy-making and implementation. It is very important to be transparent where specific interests related to the Commission's work on legislative initiatives or financial matters are discussed with such organisations or individuals.

Working in partnership for Europe

The Commission's partnership with the other EU institutions and the Member States, as defined in the Treaties, is fundamental. The Union only succeeds when everyone is pulling in the same direction: this is why we should work in the months to come to forge a common understanding between the institutions about what we want to achieve and how we will go about it.

The Commission's relationship with the European Parliament is the source of our democratic legitimacy. This must, therefore, be a political and not a technocratic partnership. I expect all Commissioners to invest in this relationship and to make themselves available for and to take an active part in plenary sessions, committee meetings and trilogue negotiations. The meetings and hearings with the parliamentary committees over the past weeks have been an opportunity for you to lay the foundations for a productive working relationship, to explain how your work will contribute to joint political priorities, and to demonstrate your commitment and suitability for your broader role as a Member of the College.

Effective policy-making also requires a deep understanding of every one of the Member States, of their common challenges and of their diversity. While fulfilling your obligation to participate in Commission meetings and engage with the European institutions, I want you all to be politically active in the Member

States and in dialogues with citizens, by presenting and communicating our common agenda, listening to ideas and engaging with stakeholders. In this context, I want all Commissioners to commit to a new partnership with national Parliaments: they deserve particular attention and I want, under the coordination of the first Vice-President, in charge of Better Regulation, Interinstitutional Relations, the Rule of Law and the Charter of Fundamental Rights, important proposals or initiatives to be presented and explained in national Parliaments by Members of the Commission. This should also allow us to deepen the country-specific knowledge within our institution and to build mutual understanding and effective channels of communication between the national and the European level.

The European Union has come through one of the most testing periods in its history. The effects of the economic and financial crisis are still causing great hardship in many parts of Europe. We live in a Union with a 29th state of unemployed people, many of them young people who feel side-lined. Until this situation has changed, this 29th state must be our number one concern, and we have to be very determined and very responsible in carrying out our work as Members of this Commission.

I am looking forward to working with you on the new start that our European Union needs now.



Jean-Claude JUNCKER