

TO  
MR. JOSÉ MANUEL BARROSO  
PRESIDENT OF THE  
EUROPEAN COMMISSION

*Subject: Statement of the National Assembly of the Republic of Bulgaria on the Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority) as regards its interaction with Council Regulation (EU) No.../... conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions*

DEAR MR. BARROSO,

In regard to the above legislative proposals, I would like to inform you that the National Assembly of the Republic of Bulgaria, through the Committee on European Affairs and Oversight of the European Funds has expressed its principle support to further integration of banking supervision in the Eurozone under certain conditions. Moreover, further work should be directed at optimizing the process of decision-making and cooperation between the European Central Bank (ECB) and the Member States.

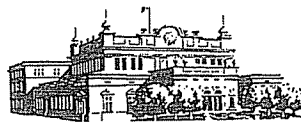
We believe that the implementation of the proposal for establishing a Banking Union and Single Supervisory Mechanism (SSM) in the Eurozone should be in line with the processes of deepening integration of the single market for financial services in the EU by applying a non-discriminatory approach to the regulation of the relations between Member States inside and outside the SSM. More carefully should be analyzed the scope of powers to be transferred from the national supervisory authorities to the ECB.

In conclusion, we call for more transparency and better interaction of the ECB, in its capacity of a single banking supervisor, with the national parliaments of the Member States.

Yours sincerely,

**PRESIDENT  
OF THE NATIONAL ASSEMBLY**

**TSETSKA TSACHEVA**



**NATIONAL ASSEMBLY  
OF THE REPUBLIC OF BULGARIA**

**STATEMENT  
OF THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BULGARIA**

**on the Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority) as regards its interaction with Council Regulation (EU) No.../... conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions**

**Following the discussion of the above topic in the regular sitting of the Committee on European Affairs and Oversight of the European Funds (CEAOEF) held on 31 October 2012, the National Assembly of the Republic of Bulgaria through CEAOEF has expressed the following Statement for the purpose of being sent to the European institutions:**

1. CEAOEF hereby expresses its principle support to further integration of banking supervision in the Eurozone, provided that the amendments to Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority) take a fair account of the interests of the countries involved in the single supervisory mechanism (SSM), and those outside it, in the process of decision-making at the Board of Supervisors of the European Banking Authority (EBA). Moreover, further work should be directed at optimizing the process of decision-making and cooperation within colleges of supervisors.

2. CEAOEF believes that the setting up of a SSM should be combined with the development and adoption of common principles of building up funds for deposit guarantee and general framework for bank recovery and restructuring as an important prerequisite for effective banking supervision.

3. CEAOEF stresses that the implementation of the proposal for establishing a Banking Union and SSM in the Eurozone should be in line with the processes of deepening integration of the single market for financial services in the EU by applying a non-discriminatory approach to the regulation of the relations between Member States inside and outside the SSM.

4. CEAOEF urges to ensure balance between supervision and regulation of the host country and the country of origin, as we support the view that the transfer of supervisory powers to the European Central Bank (ECB) will hardly solve the problems of coordination between national supervisory authorities. In this context, the setting up of a SSM in the Eurozone should be done by better and more efficient allocation of rights and responsibilities of home and host supervisory authorities, and by providing guarantees in cases involving banks with systemic relevance for the Bulgarian banking market.

5. CEAOEF calls for more transparency and better interaction of the ECB, in its capacity of a single banking supervisor, with the Member States. In this respect we believe that the ECB should also interact with national parliaments, as its decisions can have a significant impact at national level.

6. CEAOEF believes that at present Bulgaria's participation in the SSM through "close cooperation" would mean a significant transfer of supervisory powers to the SSM in the ECB but under lacking access to the support mechanisms in the Eurozone and no participation in making final decisions in the exercise of single supervision. Unlike banks in the Eurozone, those in our country will have no access to ECB liquidity support or capital support from the European Stability Mechanism, if need be. This is why we believe that if Bulgaria's accession to the SSM precedes that to the Eurozone, the ECB will practically exercise full control over Bulgarian banks, but in the event of shortage of liquidity or capital, and/or if necessary to protect depositors in the event of bank failure the cost will be borne by the Bulgarian taxpayers.

7. CEAOEF believes that the legislative proposal of the European Commission should analyze more carefully the scope of the powers to be transferred from the national supervisory authorities to the ECB. Maintaining financial stability in a Member State is associated with preservation of the national interest in the field of banking supervision, hence the option for macro-prudential instruments to remain within national competence should be discussed.

8. CEAOEF calls upon the European Commission within a reasonable time to prepare an impact assessment of the two legislative proposals, as it will certainly have essential importance for the banking sector in the Eurozone and an indirect or direct effect in the Member States outside the SSM.