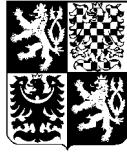


THE PARLIAMENT OF THE CZECH REPUBLIC
SENATE



7th term

336th RESOLUTION
OF THE SENATE

Delivered on the 13th session held on 5 November 2009

on the proposal for a regulation of the European Parliament and of the Council on Community macro prudential oversight of the financial system and establishing a European Systemic Risk Board (Senate Press no. N 072/07)

on the proposal for a Council decision entrusting the European Central Bank with specific tasks concerning the functioning of the European Systemic Risk Board (Senate Press no. N 076/07)

on the proposal for a regulation of the European Parliament and the Council establishing a European Banking Authority (Senate Press no. N 073/07)

on the proposal for a Regulation of the European Parliament and of the Council establishing a European Insurance and Occupational Pensions Authority (Senate Press no. N 074/07)

on the proposal for a Regulation of the European Parliament and of the Council establishing a European Securities and Markets Authority (Senate Press no. N 075/07)

The Senate

I.

1. Got acquainted

with the legislative proposals for regulations and a decision carrying out the reform of the financial supervision in the EU along the lines of the communication from the Commission on the European financial supervision from May 2009 and the de Larosière report from February 2009;

2. Is of the opinion

that the importance of the reformed European financial supervision framework lies in the prevention against possible future problems in financial markets;

II.

1. Recognizes

the potential future asset of a European Systemic Risk Council that will monitor the whole European financial system's functionality, provide early warning and give recommendations upon the first signs of systemic failure symptoms;

2. Is convinced

- that the day-to-day supervision of the financial market must stay in hands of national supervisory authorities and therefore it is necessary to precisely define the scope of the role and powers of European Supervisory Authorities as any interference into Member States' financial responsibilities must be precluded and position or independence of national supervisory authorities must not be endangered;
- that powers and responsibilities must not be separated while defining European Supervisory Authorities' powers;
- that European Supervisory Authorities should not have the power to issue individual decisions addressed to particular financial establishments but their recommendations should be addressed directly to national supervisory authorities;

3. Assesses positively

the creation of a Joint Committee of European Supervisory Authorities which will ensure cooperation between the European Supervisory Authorities;

4. Confirms

further the position expressed in the Senate Resolution no. 251 from 22nd July 2009 on the Communication from the Commission on the European financial supervision, whereas repeatedly emphasises, that

- with respect to fundamental changes in the financial markets' regulation the quality of proposed measures must be given preference over the rapidity of changes and therefore **w a r n s** against accelerated negotiations on proposals both in the Council and in the European Parliament;
- for the regulation of financial markets, uniform interpretation and application of relevant European legislation, limitation of national exceptions and closer cooperation of institutions responsible for financial supervision in individual Member States is of vital importance;

5. Welcomes

launching of European Commission's work and subsequent public consultation in the field of European regulatory framework for large financial groups operating across border in the bank sector, to which the Senate has already invited in the Resolution from July 2009;

6. Would welcome

in the future a deeper discussion on the adequacy and particularly on the effectiveness of the European system of sectoral financial supervision which, considering high level of interconnection of financial products and services, is being abandoned by some Member States;

7. Recommends

to include also a cost-benefit analysis to a general report on the experience acquired within activities of the European Supervisory Authorities which the Commission shall publish in three years from the date of Regulations' entry into force, in order to evaluate the economic effectiveness of the supervisory system;

III.

1. Requests

the government to inform the Senate about the way this position was taken into account and to provide the Senate with information on further proceeding of negotiations;

2. Authorises

the President of the Senate to forward this resolution to the European Commission;

3. Notes with regret

that it has not yet received the reaction of the Commission to the Resolution no. 251 of 22nd July 2009 containing the Senate's position on the Communication on the European financial supervision outlining the general framework of the reform which has been carried out by presented legislative acts.

Přemysl Sobotka
sign manual
President of the Senate

Tomáš Grulich
sign manual
Senate Verifier