



THE SENATE  
OF THE PARLIAMENT OF THE CZECH REPUBLIC  
10<sup>TH</sup> TERM

**311<sup>th</sup>**

**RESOLUTION OF THE SENATE**

delivered on the 17<sup>th</sup> meeting held on 6<sup>th</sup> January 2016

**on the Proposal for a Regulation of the European Parliament and of the Council laying down common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012**

**(Senate Print No. N 040/10)**

**on the Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms**

**(Senate Print No. N 041/10)**

**on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions**

**Action Plan on Building a Capital Markets Union**

**(Senate Print No. K 042/10)**

**The Senate**

**I.**

**Sees**

the project of building a Capital Markets Union as part of a broader process of completing the EU single market and fulfilling the principle of genuine free movement of capital;

**II.**

**1. Supports**

the efforts of the European Commission to ensure financing of infrastructure projects by means of the European Fund for Strategic Investments, while encouraging due consideration of support to standard PPP projects;

**2. Considers it essential,**

in accord with the Government of the Czech Republic, that when building the Capital Markets Union,

- specificities of individual national markets of Member States should be taken into account and
- interests of the Member States with smaller or less developed capital markets should be duly reflected so that the Capital Markets Union would be beneficial to all Member States;

### **3. Emphasizes**

that when building the CMU, it is important to pay sufficient attention to ensuring the financial stability in the EU and, therefore, it supports the cooperation of the Commission with the Financial Stability Board and with the ESAs on assessing potential risks to the financial stability arising from market-based financing;

### **4. States**

that with regard to the nature of the Czech financial market there are, for the time being, no strong incentives to make a greater use of securitization as a tool for diversification of sources of financing in the Czech Republic;

### **5. Points out**

that ensuring effective prudential framework for STS securitizations should be complemented by regular monitoring carried out by the ESAs, focusing on substantial differences between financial institutions that might occur as a consequence of using the internal ratings based approach for credit risk;

### **6. Adds**

that the responsibilities of individual entities participating in the securitization process regarding the information disclosure should be clearly defined in the Regulation; the vague provision laying down that the originator, sponsor and SSPE shall designate amongst themselves one entity to fulfil the information requirements does not seem to be sufficient;

### **7. Is furthermore of the opinion**

that the information requirements should also, in the spirit of full transparency, apply to institutional end investors that purchase securitized products so that the retail investor that is considering buying a product marketed by this institutional investor could have all necessary information for the decision;

### **8. Invites the Government**

- to strive for clear legislative definitions of notions and for precisely set obligations of individual capital markets participants when negotiating the Proposals for Regulations in the Council of the EU, so that legal uncertainty is prevented when implementing the Regulations;
- to assess, within its communication with the Commission, the compliance of other proposals currently under negotiation, above all the Banking Structural Reform, the FTT proposal and implementing rules on MiFIR that newly introduce the rules on transparency in bond and derivatives markets, with already adopted acts and with the goals of the CMU;
- to review, within its communication with the Commission, the option of ratifying the existing international treaties, such as the Hague Securities Convention and the Geneva Securities Convention that harmonize legal instruments in the area of securities law at the global level;

### **III.**

#### **1. Requests**

the Government to inform the Senate about the way this Resolution has been taken into account, as well as about further initiatives following these initiatives;

#### **2. Authorises**

the President of the Senate to forward this Resolution to the European Commission.

Milan Štěch  
sign manual  
President of the Senate

Emilie Třísková  
sign manual  
Senate Verifier