



THE SENATE
OF THE PARLIAMENT OF THE CZECH REPUBLIC

10TH TERM

379th

RESOLUTION OF THE SENATE

Delivered on the 21st session held on 6th April 2016

**on the Proposal for a Regulation of the European Parliament and of the Council
amending Regulation (EU) 806/2014 in order to establish a European Deposit Insurance
Scheme**

**Senate Print No. N 048/10
COM(2015) 586**

The Senate

I.

1. Perceives,

this Proposal for a Regulation to be a natural step towards the completion of the Banking Union as well as an effort to reduce remaining risks in the banking sector with the aim to strengthen the Economic and Monetary Union;

2. Notes

that the stability of the Euro area is of a primary concern for the Czech Republic, given the high degree of interdependence of the Czech economy with the Euro area, which is reflected both in the significant share of Czech exports to the Euro area countries and in the dominant share of subsidiaries of foreign banks established in the Euro area on the total assets of the banking sector in the Czech Republic;

II.

1. Supports,

in general, the efforts of the European Commission to create a more efficient system of Deposit Insurance Scheme to reinforce the stability of the financial system, however, considers it necessary that all the previously set conditions for further systemic risk sharing across the banking sectors of Member States participating in the Banking Union were met;

2. Warns,

in connection with the creation of the EDIS, of the risk of moral hazard, as there is a possibility that the Member States that have not complied with the existing rules will be motivated to transfer the responsibility to the whole, where there will be greater financial resources; therefore, it will be necessary to ensure an efficient system of prudential supervision;

3. Recalls

that the Senate pays a long term attention to the process of establishing the Banking Union as is evident from its previous Resolutions on this subject; for instance Senate Resolution no. 115 from 13. 3. 2013 on legislative proposals for the creation of a Single Supervisory Mechanism, where the Senate among other things expressed an opinion that of the introduction of the Banking Union should not jeopardize the interests of the non-participating Member States and the stability of their financial markets;

4. Is of an opinion

that the Proposal for this Regulation should define the conditions for the Member States that become members of the Banking Union in the course of the functioning of EDIS, because from the perspective of the Czech Republic as a country that has a commitment to join the Euro area in the future it is important how the joining of EDIS by further Member States is regulated;

5. Calls for

a clarification and restriction of the authorisation for the Commission to adopt delegated acts, since specific procedures for determining the contribution to EDIS cannot be left entirely to the discretion of the Commission;

III.

1. Requests

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

2. Authorises

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

Milan Štěch
sign manual
President of the Senate

Leopold Sulovský
sign manual
Senate Verifier