



EUROPEAN COMMISSION

*Brussels, 13.05.2021
C(2021) 3534 final*

Dear Chair,

The Commission would like to thank the Poslanecká sněmovna for its Opinion on the Communication “The European economic and financial system: fostering openness, strength and resilience” {COM (2021)32 final}.

Enhancing the openness, strength and resilience of the European economic and financial system is a key priority for the Commission in its broader set of actions to strengthen the European Union’s open strategic autonomy. This strategy is paramount to maintain European financial markets and the European economy open to the rest of the world.

The geopolitical context has become increasingly multipolar in recent years and we witnessed a departure from multilateralism in shaping the global economic governance. A number of countries have been taking unilateral or assertive actions and have been using the international role of their currency to pursue their political objectives. Such actions can undermine the European Union’s common foreign and security policy and economic interests, and can pose a threat to the stability of the European Union’s financial system, which could ultimately hamper its economic well-being. The recent crisis triggered by the Covid-19 pandemic, and the withdrawal of the United Kingdom from the European Union have further underscored the vulnerabilities of the European financial system arising from dependencies on third-country operators.

The Commission welcomes the broad support of the Poslanecká sněmovna for the objectives of its strategy, and agrees that the openness, strength and resilience of the European economic and financial system depend on individual Member States’ engagement to pursue such objectives. In this context, the Commission also recalls that, with the implementation of the NextGenerationEU plan, Member States will have the opportunity to support their recovery from the current crisis and deploy resources to facilitate the green and digital transitions, which will help increase their resilience and the resilience of the European economy and financial system as a whole. The Commission agrees on the importance of strong economic fundamentals, deep capital markets, and sound public finances in this regard.

The Commission has taken due note of the views expressed by the Poslanecká sněmovna in its Opinion and will consider them when implementing its strategy.

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The Commission clarifies that its objective is to maintain openness to third-country financial markets and operators on a reciprocal basis, while safeguarding financial stability, market integrity and investor protection. This also entails preserving the capacity of European regulators and supervisors to regulate and supervise financial services provided to EU citizens.

The Commission observes that, in the financial sector, we need to have in place the regulations necessary to maintain financial stability and to ensure consumer protection, while implementing agreed international standards in a consistent manner. A greater international role of the euro demands greater financial investment opportunities in euro-denominated assets and greater cross-border capital flows, both of which need to be accompanied by adequate investor protection rules. In the field of EU restrictive measures (sanctions), uniform implementation is paramount to increase the European Union's credibility as a regulatory power and to preserve the integrity and the level playing field of the Single Market.

At the same time, the Commission recognises that rules should support economic activity and capital markets development. As an example, the Capital Markets Recovery Package¹ introduced targeted adjustments to help financial markets support Europe's recovery. As expressed in the Communication, the Commission will also consider reviewing capital market rules as regards their appropriateness for commodity markets.

The Commission acknowledges the Czech Republic's commitment to promoting the openness, strength and resilience of the economic and financial sector, as shown by various initiatives for developing capital markets, increasing access to finance, and enhancing financial literacy for small and medium enterprises (SMEs), notably the establishment of the National Development Fund and the creation of the CEE plus Index.

Recognising that the implementation of its strategy will take time, the Commission is already working on the various actions, and has initiated a dialogue with stakeholders and third countries to promote a greater international role of the euro.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Poslanecká sněmovna and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Mairead McGuinness
Member of the Commission*

¹ https://ec.europa.eu/info/publications/200722-proposal-capital-markets-recovery_en.