



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Sénat for its Opinion concerning the Commission public consultation on the regulation of indices, launched on 5 September 2012. The European Commission welcomes the support of the Sénat for EU legislation on benchmarks.

The Commission published its proposal for a Regulation on indices used as benchmarks in financial instruments and financial contracts on 18 September 2013 and carefully considered all suggestions included in the Opinion of the Sénat when drafting its proposal and carrying out the accompanying impact assessment.

The Commission particularly welcomes the Sénat's specific support for the introduction of measures to ensure the continuity of benchmarks which play a critical function in financial markets of the Union. The adopted proposal contains specific provisions to ensure the continuity of critical benchmarks in the EU. The most relevant is the power for competent authorities to mandate contributions to critical EU benchmarks if at least 20% of contributors have ceased or are likely to cease contributing in any year.

Concerning your recommendations for supervision of LIBOR and EURIBOR at EU level, an effective framework would be ensured under the Commission proposal by combining supervision by national supervisors with colleges of relevant national supervisors and a mediation role for the European Securities and Markets Authority (ESMA). This is a balanced and effective approach as national supervisors have the knowledge of and proximity to the markets where these benchmarks have their centre of gravity. At the same time, the legitimate, wider European dimension of the supervision of these critical benchmarks with cross-border impacts would be addressed by the colleges and ESMA's

*Mr Jean-Pierre BEL
President of the Sénat
Palais du Luxembourg
15, rue de Vaugirard
F – 75291 PARIS Cédex 06*

The Commission also very much welcomes the Sénat's support for a quick conclusion of the negotiations on the Market Abuse Regulation. Following the political agreement reached by the EP and Council on the Market Abuse Regulation (MAR) in June 2013, the Commission is working constructively with the European Parliament and the Council towards reaching a political agreement on the proposal for a Directive on Criminal sanctions for insider dealing and market manipulation in order to conclude this file as rapidly as possible.

The Commission hopes that these clarifications address the concerns raised by the Sénat and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*