

**DOCUMENT ON COMPLIANCE WITH THE SUBSIDIARITY PRINCIPLE
APPROVED BY THE COMMITTEE ON EU POLICIES**

The Committee on EU Policies;

Having examined the proposal for a directive of the European Parliament and of the Council on Guarantee Deposit Schemes COM(2010)368 fin., for the purposes of appraising its compliance with the principle of subsidiarity;

Bearing in mind the COM(2010)369 report and the impact assessment [SEC(2010)834] accompanying the proposal;

Considering that:

(a) the legal basis for the proposal, namely, article 53(1) of the Treaty on the Functioning of the European Union (TFEU) which provides that directives be issued relating to the right to operate of entities like credit institutions, appears to be fully appropriate in the light of the substance and the purposes of the proposal;

(b) the grounds for the proposal in terms of its conformity with the principle of subsidiarity, as described in the explanatory report and the impact assessment, is adequate taken as a whole. But because of the particular structure of the text and the provision it makes for completely new institutions, it would have been appropriate to provide a specific and detailed justification of the individual amendments and supplementary provisions to be incorporated into directive 94/19/EC;

(c) the negative effects caused by the gaps in the present system of Guarantee Deposits in the EU, referred to in detail in the impact assessment, and which emerged so clearly in the course of the economic and financial crisis, fully justify the transition from the method of minimal harmonisation, on which directive 94/19/EC was based, to the maximum harmonisation of national rules applying to guarantee schemes;

(d) the European-level intervention for which the directive makes provision has evident added value because it makes it possible to lay down common requirements on credit institutions and banks operating in more than one member state in the matter of guarantee schemes, ensuring equal operating conditions, thereby avoiding undue regulatory costs of cross-border transactions, further promoting the integration of the internal market for banking services and guaranteeing a high level of financial stability within the European Union;

(e) the consistent and dynamic application of the principle of subsidiarity would require, consistently with the establishment of the new European financial supervision system, and with the introduction of common measures for resolving banking crises, measures to be taken at once, such as the institution of a single pan-European Guarantee Deposit Scheme, superseding the present fragmentation of more than 40 different guarantee schemes;

Emphasising the appropriateness of performing a careful assessment of the conformity of the proposal with the principle of proportionality when the substance of the proposal is deliberated on its merits, referring also to the impact that certain provisions, particularly those relating to the criteria for financing the guarantee funds, might have on the Italian banking system;

Noting the need for this document to be forwarded to the European Parliament, the Council and the European Commission;

DECLARES

that the proposal for a directive is compliant with the principle of subsidiarity as set out in Article 5 of the Treaty on the European Union