SENATE OF THE REPUBLIC

COMMENTS AND RECOMMENDATIONS OF THE 14TH STANDING COMMITTEE

(European Union Policies)

pursuant to Senate Rule 144(1)

(Rapporteur: FLERES)

Rome, 7 October 2010

Comments on:

Proposal for a directive of the European Union and of the Council amending Directives 98/78/EC, 2002/87/EC and 2006/48/EC as regards the supplementary supervision of financial entities in a financial conglomerate (COM (2010) 433)

The 14th Standing Committee, following consideration of the aforementioned document,

[...]

expresses, insofar as its remit is concerned, a positive opinion with the following qualifications:

the proposal appears to comply with the subsidiarity principle [...];

the proposal appears to comply with the proportionality principle [...];

the legal basis is properly identified [...];

on the substanceof the proposal, the Committee welcomes the initiative of the Commission, which meets the need to adjust Directive 2002/87/EC to earlier amendments of sectoral legislation, while taking into account the difficulties emerged during the financial crisis in preventing and monitoring group risks. The Committee notes however that more innovative and radical action is needed for the purposes of broadening and specifying the scope of monitoring and the ways in which the capital of conglomerates is determined, so as to ensure maximum transparency and the highest possible level of investor guarantee; the Committee hopes that such initiatives will be promptly developed, in accordance with the Commission's programme of work.

The Committee finally recalls that several overlapping amendments were made to the legislation on financial instruments and supervision in the last few years, making the overall regulatory framework hard to understand and construe. It would be advisable to make a prompt effort to codify, if not to consolidate, all the regulations in force in this sector, even if this is called for by the amendments introduced so far. Such effort could be coordinated by the new supervisors of the banking and insurance sector.