

SENATE OF THE REPUBLIC

XVII LEGISLATURE

Doc. XVIII-bis

No 19

RESOLUTION OF THE 14th STANDING COMMITTEE

(European Union Policies)

(*Rapporteur* MOLINARI)

approved at the morning session of 13 July 2016

ON THE

**PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND
OF THE COUNCIL AMENDING REGULATION (EU) NO 258/2014
ESTABLISHING A UNION PROGRAMME TO SUPPORT SPECIFIC
ACTIVITIES IN THE FIELD OF FINANCIAL REPORTING AND AUDITING
FOR THE PERIOD OF 2014-20 (COM(2016) 202)**

under Article 144(1)(5) and (6) of the Rules of Procedure

Sent to the President's Office on 18 July 2016

The Committee, having examined the act,

given that the act provides for the refinancing of the European Financial Reporting Advisory Group (EFRAG), which is the European Commission's technical adviser in accounting matters, in the amount of EUR 13 831 000 for 2017-2020;

recalling that in 2009 Decision No 716/2009/EC of the European Parliament and of the Council of 16 September 2009 established a Community programme to support specific activities in the field of financial services, financial reporting and auditing, extended for the period of 2014-2020 by Regulation (EU) No 258/2014 of the European Parliament and the Council of 3 April 2014 in favour of EFRAG, the IFRS Foundation (International Financial Reporting Standards) and the Public Interest Oversight Board (PIOB);

given that the 2014 Regulation limited EFRAG's financing to the 2014-2016 period because of uncertainties related to the reform of its governance, which was brought to an end with the approval of the new statutes and internal rules. The reform enhanced the legitimacy and representativeness of EFRAG and established a new decision-making body, the Board, with balanced representation of public and private interests;

given that the reform of EFRAG came into effect on 31 October 2014 and that the proposal for a regulation therefore provides for the extension of the financing for the period 2017-2020, within the scope of Regulation (EU) No 258/2014, cited above, with an additional appropriation under the heading 'Smart and Inclusive Growth' of the multiannual financial framework,

comments favourably on the proposal, within its area of responsibility, with the following remarks:

the legal basis has been correctly identified as Article 114 of the Treaty on the Functioning of the European Union (TFEU), which provides for the ordinary legislative procedure for the adoption of the measures for the approximation of the provisions laid down by law, regulation or administrative action in Member States which have as their object the establishment and functioning of the internal market;

the principle of subsidiarity has been observed because the objective of harmonising financial reporting and auditing rules at European and global level, which is essential for the smooth functioning of the capital markets and requires an independent advisory body with sufficient capacity and expertise, cannot be achieved by the Member States acting individually;

as regards the principle of proportionality, the proposal does not go beyond what is necessary to achieve the above objective. Moreover, the additional

financing provided for by the proposal for a regulation, of EUR 13 831 million in relation to the four-year period 2017-2020, is approximately 35% less than the financing for 2014-2016 when considered on a yearly basis.

€1,00