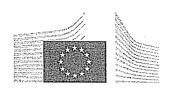
EUROPEAN COMMISSION



Brussels, 22/4/2013 C(2013) \$2166 final

Dear President,

The Commission would like to thank the Kamra tad-Deputati for its Opinion on the proposal for a Directive of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms {COM(2012) 280 final} and apologises for the delay in replying.

The Kamra tad-Deputati considers that small and medium investment firms should be exempted from the requirements of the proposed Directive, at the discretion of the competent authority, if they satisfy certain criteria.

The Commission would like to underline that financial institutions within the scope of the proposed Directive are generally also supervised according to the Directive 2006/48/EC and 2006/49/EC and must comply with prudential requirements with respect to own funds, large exposures, liquidity, reporting and public disclosure as provided for therein.

Investment firms need to be part of the framework since, as shown by the financial crisis, their failure can have serious systemic consequences. Concretely, investment firms within the scope of the Directive are those defined in Article 3(1)(b) of the Directive 2006/49/EC which are subject to initial capital of EUR 730.000 as specified in Article 9 of the same Directive.

The Commission remains convinced that the proposed Directive is proportionate and takes the risk, size and interconnectedness of a bank or an investment firm adequately into account and hopes that its reply addresses the concerns raised in Opinion of the Kamra tad-Deputati.

The Commission looks forward to continuing our political dialogue in the future. Yours faithfully,

Maroš Šefčovič Vice-President

Mr Michael FRENDO
President of the
Kamra tad-Deputati
The Palace
MT – VALLETTA CMR 2000