



EUROPEAN COMMISSION

Brussels, 13. 3. 2014
C(2014) 1516 final

Dear President,

The Commission would like to thank the Camera Deputaților for its Opinion concerning the Communication from the Commission to the Council and the European Parliament on Shadow Banking – Addressing New Sources of Risk in the Financial Sector {COM (2013) 614 final}.

The Commission welcomes the fact that the Camera Deputaților expresses support for the measures presented in the Commission Communication on Shadow Banking, which follows the consultation based on the Green Paper issued in March 2012. The Commission's approach regarding the shadow banking sector consists of delivering transparent and resilient market-based financing while tackling major financial risks. It should ensure that the benefits achieved by strengthening the resilience of certain actors and markets are not diminished by financial risks moving to less regulated sectors. Such regulatory arbitrage would greatly undermine the impact of the reforms.

The Commission takes note in particular of the support expressed by the Camera Deputaților for the need to monitor the shadow banking sector and the objective of developing global solutions, the limitation of arbitrage possibilities, and the focus on preserving alternative funding possibilities for the real economy as long as they do not pose systemic risks to the financial markets. The main focus of the Commission's activities in this field is on non- or less-regulated sectors, which could pose systemic risks to financial markets.

The Commission also takes note of the comments made regarding the possible implications on bank financing of the proposal on Money Market Funds, which was issued on the same day as the Communication and is aimed at substantially reducing systemic risks inherent in this sector. The proposal addresses issues like liquidity, capital buffers and diversification of investments and has been designed to increase financial stability but at the same time to preserve the Money Market Fund sector as a financing tool for certain market participants.

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The Commission hopes that these clarifications address the issues raised by the Camera Deputaților and looks forward to continuing our political dialogue with the Camera Deputaților in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*