EUROPEAN COMMISSION

Brussels, 31.7.2015
C(2015) 5360 final

Dear President,

The Commission would like to thank the Camera Deputaţilor for its Opinion concerning the proposal for a Regulation on structural measures improving the resilience of EU credit institutions and the proposal for a Regulation on reporting and transparency of securities financing transactions {COM(2014) 40 and 43 final}.

The Commission welcomes the Camera Deputaţilor's support for the Commission's efforts to foster greater stability and resilience of the European banking sector and to increase the transparency of shadow banking.

The proposed Regulation on structural measures would complement the financial regulatory reforms undertaken over the last years. Large banks' trading activities give rise to systemic risks that may not be fully addressed by existing regulatory instruments. The proposal would therefore apply to the largest banks in Europe that engage in significant trading activities.

Some Member States have proposed or adopted structural reform measures for their national banking systems. EU action is necessary to ensure that divergent national solutions do not undermine the functioning of the single market.

In drafting the proposal, the Commission has taken due account of the European banking sector's importance in providing finance to the economy. The Commission has also taken due account of the benefits of maintaining the diversity of banking models in Europe. Universal banks would continue to serve clients with a broad set of services and financial products. The proposal would reduce the systemic risks arising from trading activities and would facilitate their resolvability.

The Commission furthermore takes note of the detailed comments made by the Camera Deputaţilor. The points made are based on the initial proposal presented by the Commission. The proposal is now for consideration with the European Parliament and the Council, in which your government is represented.

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On 19 June, the Council agreed on a general approach. The main challenge has been to strike the right balance between increasing financial stability on the one hand and not hampering the ability of the banking sector to finance the wider economy on the other. The compromise text appears well balanced and proportionate – banks that take more risk are subject to more intense scrutiny and potential measure than those that take less risk.

On the other hand, the supervisors would be granted a greater discretion in their assessment as to whether the trading activities of big and complex banks pose excessive risk. Supervisors would also have greater flexibility in their decisions on the most appropriate tool to use – separation, more capital and other measures.

The Commission has some reservations on the framing of supervisory powers and the home/host supervisors arrangements. We nevertheless believe the Council agreement could be the basis for a reasonable and pragmatic compromise – the best equilibrium possible.

The European Parliament is currently renewing attempts to define its negotiation stance, following a failed attempt to adopt a report in May. The Commission expects the Parliament to adopt its stance in September. This would allow trilogues to start bring the two co-legislators to a final agreement.

The Commission will play a constructive role in the forthcoming trilogues and believes it is both realistic and desirable to have a final agreement by the end of this year.

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

Yours faithfully,

Elżbieta Bieńkowska
Member of the Commission