

**PARLIAMENT OF ROMANIA
CHAMBER OF DEPUTIES**

DECISION

**approving the Opinion on the proposal for a Regulation of the European Parliament and of
the Council amending Regulation (EU) 806/2014 in order to establish a European Deposit
Insurance Scheme
COM(2015) 586**

Pursuant to Articles 67 and 148 of the Romanian Constitution, republished, Law No 373/2013 on cooperation between Parliament and the Government in the area of European affairs, and Rules 160 to 185 of the Rules of Procedure of the Chamber of Deputies, republished,

the Chamber of Deputies hereby adopts this Decision:

Sole Article. – Having regard to Opinion No 4 c-19/318, adopted by the Committee for European Affairs at its meeting of 23 March 2016, the Chamber of Deputies:

1. supports the mechanism through which extraordinary ex-post contributions are collected from the credit institutions affiliated to participating deposit guarantee schemes (i.e. national DGSs) to cover the additional amounts, but takes the view that the partial adoption of the mechanism by delegated acts is liable to increase the unpredictability of the consequences of a payment event in relation to which resources have been used from the fund proposed by the Commission;
2. is concerned about the shortcomings of the risk analysis, which does not take sufficient account of the ever tighter links between the EU economy and the international and regional (including emerging) third-country markets; as EU Member States are exposed to these external markets in different ways, the relevant national institutions need to be consulted systematically as a prudential measure to make the impact of external shocks on the EU common financial market less unpredictable;
3. is doubtful about the effectiveness of the mechanism proposed to be implemented in cases where a participating deposit guarantee scheme does not apply a decision adopted under the Regulation and considers the right conferred on the Resolution Board to 'adopt any necessary action' as confusing and arbitrary;
4. is concerned about the arrangements for drafting and implementing the investment strategy for the amounts held in the Single Resolution Fund and the Deposit Insurance Fund, and notes that the prudent nature of the strategy could be viewed as strictly declaratory; believes that there are insufficient reassurances in the statement made in the proposed Regulation that prudence resides either in holding bonds of EU Member States or intergovernmental organisations or in [investing in] highly liquid assets of high creditworthiness, including in respect of the extent to which country risks are reflected in such a portfolio;
5. calls for the European Deposit Insurance Scheme (EDIS) to be prepared and implemented in parallel with the efforts undertaken to reduce specific risks relating to the banking sector, and notes that efforts should be stepped up to make sure that instruments already agreed upon within the Banking Union become operational, thereby ensuring sustainability of the Banking Union prior to establishing new mechanisms;
6. is concerned that, for Member States with consolidated guarantee schemes like Romania, sharing the risks at the EDIS level is not an advantage, and stresses that, in this context, it is

necessary to carry out an impact assessment looking into risk perception following a shift to the less solid European scheme;

7. stresses that, given the fragmentation of the EU banking markets and the differences within the Economic and Monetary Union in terms of the resilience of national guarantee schemes, the risk-based contribution methodology should be reviewed exhaustively;
8. underlines the need to clarify the method for calculating EDIS contributions so as to avoid increasing the burden on participating banks compared with their current obligations under national schemes;
9. takes the view that, in the EDIS co-insurance phase, when risks are largely still with the national DGSs, banks' risk profiles should be determined in relation to the national banking system, as a credit institution with a higher risk weight in its home Member State could have a much lower risk weight at the EU level;
10. calls for the mutualisation process of contributions from national DGSs to be established only once the accumulated resources, which currently show major differences, have reached a minimum uniform level;
11. considers it imperative to include in the proposed Regulation express rules on an EDIS safeguard mechanism to ensure that losses incurred by high-risk banking systems will not be covered by low-risk systems;
12. points out that risk-based EDIS contributions are unfeasible in the absence of an EU-wide comparable assessment of the risks to which credit institutions are exposed;
13. recommends a discussion of the details relating of the provisions governing situations where the close cooperation of a Member State outside the euro area is suspended or terminated under Article 4 of the Regulation, when the national DGS's entitlement to a reimbursement of the resources contributed to EDIS by the participating credit institutions is limited to the amount that the national DGS needs in order to reach two-thirds of the target level laid down by the DGS Directive;
14. is concerned about the superficial handling in the proposal of contagion in the financial and banking sector and stresses that, because of the complex interactions between European banking systems, in the event of an extreme event or severe financial crisis in a Member State, risk mutualisation via EDIS could have undesirable effects also on other banking systems in the EU;
15. is of the view that, for EU Member States with solid deposit guarantee schemes, such as Romania, the added value of EDIS does not appear sufficient, and notes that the decision on whether to join the scheme is to be subject to in-depth consideration;
16. emphasises that this European deposit insurance scheme, which is the third pillar of the Banking Union, concerns the EU Member States that have adopted the euro and is optional for the other Member States, including Romania; in this regard, insists that the scheme should remain optional.

This Decision was adopted by the Chamber of Deputies at its sitting of 6 April 2016, in compliance with Article 76(2) of the Romanian Constitution, republished.

pp. President of the Chamber of Deputies,

Florin Iordache

Bucharest, 6 April 2016

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