



**The Parliament of Romania
Senate**

Bucharest, 14 February 2018

Courtesy translation

**OPINION of the ROMANIN SENATE
on the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF
THE COUNCIL amending Regulation (EU) No. 1093/2010 establishing the European
Supervisory Authority (European Banking Authority), Regulation (EU) No. 1094/2010
establishing the European Supervisory Authority (European Insurance and Occupational
Pensions Authority), Regulation (EU) No. 1095/2010 establishing a European Supervisory
Authority (European Securities and Markets Authority), Regulation (EU) No. 345/2013 on
European venture capital funds, Regulation (EU) No. 346/2013 on European Social
Entrepreneurship Funds, Regulation (EU) No. 600/2014 on the markets for financial
instruments, Regulation (EU) 2015/760 on European long-term Investment Funds,
Regulation (EU) 2016/1011 on indexes used as benchmarks in financial instruments and
financial contracts or to measure the performance of investment funds and of the
Regulation (EU) 2017/1129 on the prospectus to be published in the case of a public offer of
securities or admission of securities to trading on a regulated market**

– COM (2017) 536 final

The Romanian Senate, pursuant to art. 67, art. 148 (2) and (3) of the Romanian Constitution and the Protocol no.2 annexed to the Treaty of Lisbon amending the Treaty on European Union and the Treaty on the Functioning of the European Union, signed in Lisbon in 13rd December 2007, has examined the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No. 1093/2010 establishing the European Supervisory Authority (European Banking Authority), Regulation (EU) No. 1094/2010 establishing the European Supervisory Authority (European Insurance and Occupational Pensions Authority), Regulation (EU) No. 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority), Regulation (EU) No. 345/2013 on European venture capital funds, Regulation (EU) No. 346/2013 on European Social Entrepreneurship Funds, Regulation (EU) No. 600/2014 on the markets for financial instruments, Regulation (EU) 2015/760 on European long-term Investment Funds, Regulation (EU) 2016/1011 on indexes used as benchmarks in financial instruments and financial contracts or to

measure the performance of investment funds and of the Regulation (EU) 2017/1129 on the prospectus to be published in the case of a public offer of securities or admission of securities to trading on a regulated market – **COM (2017) 536 final**.

Having in view the report of the Committee for European Affairs from 26th January 2018, **the Romanian Senate**, issued on 12 February 2018 an OPINION, as follows:

1. Considers that the proposal for a Regulation complies with the principle of subsidiarity, since ESAs are Union bodies and the acts governing them can only be amended by the EU legislator. Moreover, the changes contribute to greater coherence in the functioning of the internal market, an objective that cannot be achieved individually by the member states.

Also, the proposal for a Regulation complies with the principle of proportionality in terms of legal form, bringing precisely targeted changes aimed at strengthening the EU supervisory framework to improve the sustainability, stability and effectiveness of the financial system throughout the EU and to enhance consumers and investors protection, **but there are reservations** about certain aspects from the text of the proposal.

2. Supports the principles on which this EU legislative package is based, and also **appreciates** the Commission's efforts to develop the union of capital markets. A more effective supervisory framework is an essential element for well-integrated capital markets, contributing to a more consistent implementation of rules for the financial sector and to a closer cooperation between European and national institutions.

It also **supports** the strengthening of the role of the European Insurance and Occupational Pensions Authority (EIOPA) in the process of approving and supervising internal models.

3. Expresses reservations about certain aspects from the text of the proposal:

Governance – it is considered that all decisions adopted by the Executive Committee should be approved by the BoS (Board of Supervisors) and the Executive Committee should not be granted additional powers (infringement of European law, settling disputes, peer review missions, or the evaluation and implementation of national surveillance plans).

Strategic Supervisory Plan – it is considered that ESAs are deemed to issue recommendations on the Annual Supervisory Plans of the Competent National Authorities, but without imposing the obligation to implement these recommendations, national authorities having the final decision on the measures to be included in the surveillance plan.

The peer review exercise – it is considered that the current evaluation system works well and Peer Review assessments should be maintained as it is currently.

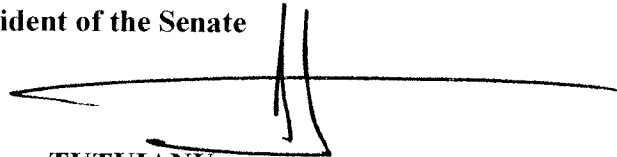
ESA's investigatory powers in cases of breach of Community law - it is not considered appropriate to propose that ESAs to call for obtaining information in such investigations directly to other relevant authorities / relevant financial entity, if it does not receive a response from the competent national authority.

Stress tests - it is considered that the tests should remain the responsibility of the national authorities, in order not to limit their margin of maneuver and to avoid overlapping roles.

Collection of information - it is considered that the possibility for ESA to directly address to the relevant financial entity is welcome, only in cases where the information is not available or does not receive a reply from the competent national authority within a set timeframe, and it is unsustainable the application of sanctions directly by ESAs in the case of non-transmission of the requested information, given that there are other legal instruments that can be used for these cases.

Funding - given that the criteria for establishing the proposed contributions to indirectly supervised entities are not known at this time and, consequently, the impact on the financial market cannot be assessed, the proposal for funding from the legislative package is not supported, thus proposing the maintaining of the current funding mechanism (40% EU Budget and 60% ANC Budget).

p. President of the Senate

A handwritten signature in black ink, consisting of a long horizontal stroke with a vertical line crossing it near the right end, and a small loop at the bottom right.

Adrian ȚUȚUIANU