

Statement by the Committee on Finance 2012/13:FiU18

Annex 2

Reasoned opinion of the Riksdag

The Commission's proposal for a Council regulation conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (COM(2012) 511) final, as presented in the statement by the Committee on Finance 2012/13:FiU18 Subsidiarity check of proposal for a regulation on the European Central Bank's supervision over credit institutions, has been examined by the Riksdag on the basis of the principle of subsidiarity.

The Commission has proposed that a single supervisory mechanism should be created in which the ECB will be given responsibility for the prudential supervision of European credit institutions. The proposal is part of the Commission's roadmap towards a European banking union (COM(2012) 510) which includes comprehensive supervision of financial markets, a common deposit guarantee scheme and a common decommissioning fund.

In the opinion of the Riksdag, regulatory frameworks, decision-making rules, as well as the financing of and responsibility for carrying out supervision, crisis management and decommissioning, all belong together. These measures are interdependent. Therefore, the proposals regarding European supervision, crisis management and financing of decommissioning should ultimately be included in a common package, even though – as now appears to be the case – these decisions are being taken separately one after the other.

The Commission has chosen first to proceed with its proposal on a supervisory mechanism. In the opinion of the Riksdag, the Commission's timetable for negotiation and implementation of the supervisory mechanism is unrealistic. The proposal is a very complex one and therefore requires comprehensive analyses and continued negotiations. In the opinion of the Riksdag, the Commission's proposal lacks sufficient analysis.

Furthermore, it is very important that the internal market and the cohesion of the Union are secured when it comes to questions relating to governance and voting procedures within the European Banking Authority (EBA). Equal treatment by the EBA of member states both inside and outside the banking union must be ensured. This applies particularly to the balance between rights and obligations of member states who choose to enter into close cooperation with the euro countries.

According to the Riksdag, it is also of essential importance that the banking union contains sufficient mechanisms for transparency and democratic accountability.

An examination of the Commission's proposed regulation shows, in the opinion of the Riksdag, that the proposed ECB regulation conflicts with the principles of subsidiarity and proportionality, particularly where the Commission's proposal regarding capital requirements is concerned.

The Riksdag considers it extremely important that the member states' opportunities to place greater demands on the credit institutions, particularly as regards capital – in addition to the minimum rules stated at the European level – are not affected negatively by the proposal. The Riksdag considers that the member states should be able to retain the possibility to decide on greater demands should they think it justified in order to secure financial stability at the national level. The size of the financial sector in relation to the economy varies between member states, as does the degree to which the financial sector of each member state is exposed to international trends. For member states with large financial sectors and substantial international exposure, failure or financial crisis entails greater financial strain and greater risks for public finances than for member states with a smaller national financial sector.

In the opinion of the Riksdag, the goal of the Commission's proposal can be reached considerably more easily if the fundamental capital requirements are to constitute minimum requirements and provided that the member states retain the possibility to raise the level of capital requirements whenever they consider it justified in order to secure financial stability at national level.

The Riksdag also considers that the Commission's proposed regulation conflicts with the principle of proportionality. Member states who are outside the euro zone but yet choose to participate in the supervisory mechanism are obliged to follow the ECB's instructions while at the same time having no voting rights in the body – the ECB Council – which has ultimate responsibility in the supervisory mechanism. According to the Riksdag, this constitutes a disproportional limitation of influence for these states.

In the opinion of the Riksdag, the Commission should come back with a proposal in which it is clearly stated that member states are in a position to demand higher capital requirements from the credit institutions. Furthermore, the new proposal should be amended as regards preparation, transparency and voting rights of the supervisory mechanism. If the member states outside the euro zone are to participate, it is according to the Riksdag of fundamental importance that the question of these countries' influence in the supervisory mechanism is resolved.