

Resolution on sovereign wealth funds

2008/2589(RSP) - 09/07/2008 - Text adopted by Parliament, single reading

Following the debate which took place during the sitting of 8 July 2008, the European Parliament adopted by 661 votes in favour to 11 against with 23 abstentions, a resolution tabled by the Committee on Economic and Monetary Affairs on sovereign wealth funds (SWFs). It is recalled that the ownership structure of SWFs places them outside the scope of EU financial market regulation.

Parliament considers that SWFs, which have been active in global financial markets for more than 50 years, have not caused any disruption of capital markets, but that their structure, size and rapid growth call for a careful analysis of their role and influence. It acknowledges the fact that the approach to transparency and governance of SWFs differ.

Members are concerned that the lack of transparency of certain SWFs may not allow a proper understanding of their structure and motivation. They request the Commission to acknowledge the fact that transparency and disclosure are the key principle for the establishment of a truly level playing field and the smooth running of markets in general.

Parliament welcomes the Commission Communication, on SWFs which reasserts the importance of open markets and the Commission's commitment to a global solution. It notes the various initiatives either at national level or within international forums to enhance transparency and improve governance, and asks the Commission to work closely with the IMF and the OECD to establish a global code of conduct. Parliament considers, nevertheless, that the Commission Communication on SWFs should be considered a first step, and therefore requests the Commission to monitor SWF activities and play a coordinating role in order to ensure that national initiatives do not counter the commitment to openness to investments or endanger the European Union's position on global markets.

The Commission is also requested to do the following :

- to conduct an analysis of tools at the European Union's disposal in EC Treaty provisions and existing legislation – such as transparency requirements, voting rights, shareholders' rights and golden shares – that would allow some reaction in the event of ownership problems due to SWF intervention;
- to assess the margin for manoeuvre left to EU institutions by the provisions of Articles 64 and 65 of the TFEU, in order to verify the options for coordinated action at EU level, which is essential to EU interests and the smooth functioning of the internal market;
- to work on a list of sectors that could come within the scope of the Article 65 provisions on public policy;
- together with the Council, to conduct an in-depth analysis of the functioning of the global financial markets and to define and promote a strong EU vision, taking into account global initiatives, of what should be the principles and rules guiding their functioning. Parliament is of the opinion that a common position of this kind would strengthen the EU's position within international forums;
- to apply the principle of reciprocity, where appropriate;

Lastly, Members are concerned about oil prices and their consequences for the euro/dollar exchange rate, as profits from oil are often reinvested via SWFs in euro-denominated assets and euro area markets in general.