Resolution on financial services: lack of progress in Council and Commission's delay in the adoption of certain proposals

2013/2658(RSP) - 13/06/2013 - Text adopted by Parliament, single reading

The European Parliament adopted by 483 votes to 27 with 65 abstentions a resolution tabled on behalf of the Committee on Economic and Monetary Affairs on financial services: lack of progress in Council and Commission's delay in the adoption of certain proposals. Parliament cites several proposals that are pending adoption by the Commission or remain with the Council after Parliament's first reading.

It recalls its willingness to complete first readings on at least all the Commission proposals on financial services that are currently on the table before the term comes to an end in spring 2014, emphasising its deep conviction that **stability in the financial sector and the success of all financial structural reforms are a precondition for achieving sustainable economic growth** and employment in the European Union. In the interests of further enhancing the efficiency and robustness of the Union's financial markets as quickly as possible, the **pending Commission proposals on financial services must be adopted swiftly**, thus avoiding delays in the entry into force of the relevant legislation. Members emphasise that Parliament has clearly demonstrated its willingness and ability to deal with the Commission's proposals on financial services regulation swiftly and within very short time frames, for example in the context of the Solvency II and the MiFID review.

Parliament asks the Commission to:

- accelerate its work on those outstanding legislative initiatives in the area of financial services that it has announced over the past years, and to adopt as a matter of urgency its proposal on the Securities Law Directive which was announced in the Commission Work Programme 2010 and which is now delayed by more than two years, and to present the outstanding revision of the Directive 2007/64/EC on payment services in the internal market as quickly as possible;
- adopt a proposal on money market funds taking the relevant ESRB recommendations fully into account;
- adopt its proposals on a draft regulation establishing a Single Resolution Mechanism and on the follow-up to the recommendations of the Liikanen High-Level Expert Group on bank structural reform;
- bring forward proposals in time for them to be considered in the current legislative term by Parliament on Insurance Guarantee Schemes and on a recovery and resolution framework for financial institutions other than banks, including a framework applicable, at least, to larger cross-border insurance groups and those with significant activity in non-traditional and non-insurance activities;
- present proposals to fully review the Financial Conglomerates Directive 2002/87/EC now that the negotiations on CRD IV and the Single Supervisory Mechansim have been concluded.

Parliament asks the Council to:

- reopen negotiations on Deposit Guarantee Schemes (DGS), a matter of crucial importance and direct interest to the citizens of the European Union, as well as for trust in, and the stability of, the financial system, noting that the necessity for rapid adoption of that proposal has recently been confirmed by the Cypriot crisis;

- adopt a position on the Investor-Compensation Schemes Directive (ICSD) as soon a possible, so as to allow for the start of negotiations on an issue which has a concrete impact on the Union's citizens, as it is intended to increase protection of the individual investor;
- use the remaining time in the legislative term to finalise the work on the MiFID review, so that the Commission proposals can be adopted before the European elections in May 2014;
- arrive at a position as soon as possible on the Commission's proposal for a directive establishing a framework for the recovery and resolution of credit institutions and investment firms, as this is an essential tool for limiting future exposure of EU taxpayers to bank failures;
- continue its work on the Central Securities Depositories (CSDR) so as to allow for the swift start of negotiations with Parliament and the Commission with a view to timely implementation before the introduction of Target2Securities;
- clarify the criteria on which the choice to proceed or not with files was made, and to explain how the interdependencies between files have been taken into account;
- explain how it is mustering the necessary resources and improving the smoothness and efficiency of the transition from one Presidency to the next;
- in the light of the lack of progress in the Council working groups, to take its political responsibility and adopt positions by qualified-majority voting as provided by the Treaties.

Lastly, Parliament recalls the Commission's commitment to undertake before the end of the mandate a study, comprising a cost-benefit analysis, on the **effectiveness and proportionality of the numerous pieces of legislation that have been adopted since the beginning of the financial crisis,** the study to be an accumulative impact assessment of all the EU financial market legislation that has been proposed, decided and implemented in the Union since the beginning of the mandate. It calls for that process to be launched as soon as possible and also assess the impact of failure to complete the Banking Union in the different Member States, including the effects on sovereign debt.