EU role in the framework of international financial, monetary and regulatory institutions and bodies

2015/2060(INI) - 12/04/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 478 votes to 217, with 9 abstentions, a resolution on the EU role in the framework of international financial, monetary and regulatory institutions and bodies.

Parliament stressed that the growing interdependence among economies across the world makes it necessary to move towards increasingly global forms of governance and that the EU should **speak with one voice** in international institutions/bodies.

Concerned at the lack of coherence caused by the fragmentation and diversity of the various organisations /bodies and at the implementation delays regarding rules and orientations agreed at international level, Parliament stressed the need for **enhanced international regulatory cooperation, with strong European Parliament involvement**.

Better coordination: Parliament called for clarification as to the remit of each organisation/body and urged for better policy coherence and coordination among the global institutions through the introduction of **comprehensive standards of democratic legitimacy, transparency, accountability and integrity**. This should, inter alia, concern:

- **relations with the public** (for example public access to documents, open dialogue with diverse stakeholders, the establishment of mandatory transparency registers and rules on transparency of lobby meeting);

- **internal rules** (for example human resources based on skills, sound financial management, prevention of conflict of interests).

Parliament considered that the **under-representation of least developed countries** in most international financial, monetary and regulatory institutions and bodies is creating an imbalance.

As well as geographical disparity in representation, there are also certain sectors - notably civil society, SMEs, consumer representatives and employee representatives – whose involvement in the consultation process could be improved in international discussions regarding financial, monetary and regulatory bodies.

Representation of the European Union (EU): Parliament stated that the EU should:

- **streamline and codify** its representation in multilateral organisations/bodies with a view to increasing the transparency, integrity and accountability of the Union's involvement in these bodies, its influence and the promotion of the legislation it has adopted through a democratic process;

- become a **more proactive global actor in ensuring the future G20 commitments**, such as transforming shadow banking, implementing over-the-counter (OTC) derivatives reforms, addressing systemic risks and ensuring that emerging risks to the global economy are taken up on the agenda of the relevant global institution;

- seek **full membership of international economic and financial institutions** where this has not yet been granted and is appropriate (e.g. in the cases of the **OECD and the IMF**). Parliament stressed the need for the Commission, representing the whole Union in an international body or organisation or monitoring a private specialist body, to be held more directly accountable to citizens and that the Parliament should be involved in this process.

Parliament also welcomed the work done by the OECD on tax issues, especially the OECD/G20 Base Erosion and Profit Shifting (BEPS) project. The coordination between the Commission and the Member States which are members of the Financial Action Task Force (**FATF**) should be improved in order for the EU to make its voice heard.

Accordingly, Parliament made the following proposals:

- the Commission is called upon to draw on existing best practices at European and national levels in order to draft a **European code of conduct on transparency, integrity and accountability**, designed to guide the actions of EU representatives in international organisations/bodies; Parliament should be closely associated in the drafting process;

- the adoption of an **interinstitutional agreement with the aim of formalising a 'financial dialogue'**, should be organised with the European Parliament for the purpose of establishing **guidelines** regarding the adoption and the coherence of European positions in the run-up to major international negotiations. Active involvement of **national parliaments** at their respective levels, by controlling the positions taken by the representatives of the member states concerned, is also necessary;

- **enhanced accountability of the Commission to the European Parliament** by streamlining the process for the definition of EU positions at the meetings of the G20 in policy fields related to employment, energy, trade, development and anti-corruption;

- Member States to accept the **representation of the Banking Union in the Basel Committee on Banking Supervision** through the Single Supervisory Mechanism;

- progression towards a **single representation of the euro area within the IMF**; this needs to be done without prejudice to a single European Union constituency in the long term;

- include in its **work programme** the external dimension of economic and financial regulation, that is, the work anticipated to take place in international financial institutions;

- the transparency and accountability of the **Euro Group** should be improved;

- **progressive streamlining of the EU representation** should be implemented over the next years, first through enhanced coordination and then, after an assessment, through the **unification of seats** ; membership of these organisations and bodies should be allocated in accordance with the respective competences of the EU institutions and the European Supervisory Authorities (ESAs), the Council/Eurogroup, and the national authorities; the EU should work on the functioning of

those organisations and bodies with a view to moving away from consensus to a weighted majority voting system;

- it is the duty of the Commission, the Council, or where appropriate the Euro Group, to strengthen coordination through preparatory meetings;

- a **thorough assessment of the two separate seats** currently allocated to the European Council and Commission presidencies at G20 meetings;

- promote the establishment of a **roadmap towards the creation of a global treaty-based financial organisation**, with wide-ranging powers of recommendation, negotiation of minimum binding standards, multilateral dispute settlement mechanisms and, where appropriate, sanctions.

Lastly, the Commission should be provided with an **explicit mandate** to foster a new impetus for the promotion of multilateralism regarding financial, monetary and regulatory international cooperation.