Contractual netting (amend. Directive 89/647 /EEC)

1994/0099(COD) - 16/02/1995 - Text adopted by Parliament, 1st reading/single reading

Parliament approved the Commission proposal subject to nine amendments, the purpose of which is to: - reiterate that the rules planned for recognizing netting would reduce the level of banks' compulsory cover through their own resources; - draw Member States' attention to the advisability of introducing the provisions needed to guarantee such recognition as quickly as possible; - stipulate that supervision would be carried out by the regulatory authorities in the Member States responsible for the credit institutions and investment firms involved; - extend the definition of counterparty to include all persons legally able to conclude "contractual netting" agreements under the legislation in their Member State of origin; - limit the obligation of credit institutions in contractual netting to self-certification of the presence of all the documents needed and to the facility for the regulatory authority to consult them if it so wishes; - make provision for the regulatory authorities to simplify the operations and verifications relating to the obligations made by the parties referred to in point 3 b) ii of Annex II; - stipulate that action by the competent authorities should not cause distortion of competition; The Commission accepted all the amendments.