Resolution on financial regulation, supervision and stability and the Lamfalussy method

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The European Parliament adopted a resolution on the extension of the Lamfalussy process. To clarify, the ECOFIN Council is proposing that the so-called Lamfalussy method should be extended from the field of securities legislation to other areas of financial services legislation, notably banking and insurance. Parliament pointed out that this would require co-decision by Parliament and the Council. It did not yet understand the urgency of such a decision and felt that an extension was premature considering that the European Convention has yet to address the inadequacies of democratic monitoring of committees responsible for implementing legislation. The current institutional framework governing the powers to adopt implementing measures is inadequate, unbalanced and lacking transparency. There must be a clear Council commitment to reform in order to guarantee a proper institutional balance before the European Parliament could agree to the proposed extension of the Lamfalussy process to other areas of financial services legislation. A commitment to a reform comprising a revision of Article 202 of the Treaty and Decision No 1999/468/EEC with a call-back procedure is a precondition for the European Parliament's support for the extension of the Lamfalussy process. Parliament recalled the difficulties of framework directives, especially that it is extremely difficult to make a proper distinction between what are matters of political importance (Level 1) and what are purely technical matters (Level 2). Issues which may at first seem technical may, once examined in detail, prove to be of considerable political significance. Parliament went on to state its opposition to the idea of giving the proposed Financial Policy Committee a policy formulation role, as no involvement of the European Parliament is envisaged. Such a role should be shared between Parliament, the Commission and the Council, for instance within the framework of a reconfigured and re-named version of the so-called 2005 Group.