



**COUNCIL OF
THE EUROPEAN UNION**



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Financial supervision: the Council sets out its position with a view to continuing negotiations with the Parliament

The Council today¹ set out its position with a view to continuing negotiations with the European Parliament on a package of measures which are intended to reform the European framework for supervision of the financial system, in the wake of the global financial crisis.

The proposals, presented by the Commission in the autumn of 2009, are:

- draft Regulations on Community macro prudential oversight of the financial system and establishing a European Systemic Risk Board, and entrusting the European Central Bank with specific tasks concerning the functioning of that Board;
- draft Regulations establishing a European Banking Authority, a European Insurance and Occupational Pensions Authority and a European Securities and Markets Authority;
- a draft Directive intended to amend existing legislation² in respect of the powers of these three new authorities.

Most of these texts³ are subject to the procedure involving codecision between the Parliament and the Council. The negotiations with the Parliament are intended to allow their adoption at first reading, so that the European Systemic Risk Board and the three new supervisory authorities can be operational from 1 January 2011.

¹ The decision was taken at a meeting of the Economic and Financial Affairs Council.

² Directives 1998/26/EC, 2002/87/EC, 2003/6/EC, 2003/41/EC, 2003/71/EC, 2004/39/EC, 2004/109/EC, 2005/60/EC, 2006/48/EC, 2006/49/EC, and 2009/65/EC.

³ All of them except the draft Regulation entrusting the European Central Bank with specific tasks.

P R E S S

There is now a large degree of convergence between the two institutions, thanks to the negotiations which have already taken place, but it has not proven possible to find an overall agreement in time to enable the Parliament to hold its first reading on 8 July, as originally intended¹. The Parliament has therefore decided to postpone the vote to a subsequent plenary session.

On the basis of the position it had already established², the Council has agreed on a political approach on the compromise proposals presented by the Presidency, with a view to facilitating continuing negotiations. It has thus strengthened the negotiating mandate given to the Presidency, while allowing it the necessary degree of flexibility about the wording of the texts.

¹ The next plenary sessions are due to take place from 6 to 9 September and from 20 to 23 September.

² General approaches defined in October 2009 for the macro-financial part of the package, in December 2009 for the micro-financial part (i.e. the setting up of the three supervisory authorities) and in April 2010 as regards the amendments to existing legislation.