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Committee on Constitutional Affairs

2013/0253(COD)

10.10.2013

DRAFT OPINION

of the Committee on Constitutional Affairs

for the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Bank Resolution Fund and amending Regulation (EU) No 1093/2010 of the European Parliament and of the Council (COM(2013)0520 – C7-0223/2013 – 2013/0253(COD))

Rapporteur: Constance Le Grip

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SHORT JUSTIFICATION

The strengthening of the Economic and Monetary Union through the creation of a Banking Union between the eurozone countries is a key step in the European integration process which should stabilise the internal financial services market and make it more ethical, regain the trust of the public and the markets, and overcome the fragmentation of the financial markets which was exacerbated by the economic crisis.

The rapporteur is responsible for the institutional framework of the second pillar of the Banking Union, which comprises a Single Resolution Mechanism and a Single Resolution Fund. The mechanism, which complements the Single Supervisory Mechanism proposed by the Commission in September 2012, will centralise key competences and resources for managing banking crises in the eurozone and will lead to the creation of an integrated resolution mechanism at EU level. The linchpins of the mechanism will be a Single Resolution Board, the national resolution authorities of the participating Member States and the Commission. This structure raises major institutional questions which need to be brought to the attention of the Committee on Constitutional Affairs and which will be forwarded to all Members of the European Parliament.

The rapporteur should nevertheless like to draw attention to paragraph six of the motion for a resolution tabled by the Committee on Economic and Monetary Affairs entitled 'Towards a Banking Union', which was adopted at the Strasbourg part-session of 13 September 2012. Paragraph six states that 'any major change in supervision, including shifts to other institutions, must be accompanied by an equivalent increase in transparency and accountability of such institutions vis-à-vis Parliament, which must have full questioning rights and full powers in relation to appointment and budgetary procedures'.

The rapporteur supports the ultimate objective of incorporating the governance of the Banking Union, and consequently of the Single Resolution Mechanism and Single Resolution Fund, into the institutional framework of the Union, and believes that the current gap between national and European policies needs to be bridged. The rapporteur therefore believes that three main improvements, as reflected in the amendments, should be made to the proposal:

- restructuring Part III on the institutional framework, primarily by combining Titles I and IV;
- strengthening parliamentary oversight of the exercise by the Single Resolution Board (hereinafter the Board) of its resolution powers;
- consolidating the democratic accountability of this new EU agency to the European Parliament and the national parliaments of the participating Member States.

The rapporteur agrees with the legal basis for this Commission proposal (Article 114 of the TFEU), which provides for the adoption of measures for the approximation of national provisions which have as their object the establishment and functioning of the internal market. The rapporteur has tabled amendments proposing more parliamentary oversight of the exercise by the Board of its resolution powers, by means of procedures by which the European Parliament must give its approval for the appointment of the Executive Director and

Deputy Executive Director of the Board, and periodic exchanges with the European Parliament, the relevant EP committee or with solely the chair and vice-chairs of that committee.

The rapporteur also wants the powers conferred on national parliaments of the Member States participating in the Single Resolution Mechanism to be applied in accordance with Protocol No 1 to and Articles 69, 70, 71 and 352 of the TFEU. This would ensure that the Board's annual work programme is forwarded to the national parliaments of the participating Member States, make it possible for the latter to send back to the Board their reasoned observations on the programme and for the Board's accounts for the previous financial year to be forwarded to the relevant national parliaments.

AMENDMENTS

The Committee on Constitutional Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following amendments into its report:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) Having a better integrated internal market for banking services is essential in order to foster economic recovery in the Union. However, the current financial and economic crisis has shown that the functioning of the internal market in this area is under threat and that there is an increasing risk of financial fragmentation. Interbank markets have become less liquid and cross-border bank activities are decreasing due to fear of contagion, lack of confidence in other national banking systems and in the ability of Member States to support banks.

Amendment

(1) Having a better integrated internal market for banking services is essential in order to foster economic recovery in the Union. However, the current financial and economic crisis has shown that the functioning of the internal market in this area is under threat and that there is an increasing risk of financial fragmentation. Interbank markets have become less liquid and cross-border bank activities are decreasing due to fear of contagion, lack of confidence in other national banking systems and in the ability of Member States to support banks. ***This is a real source of concern in a single market in which banking institutions have the use of a European passport and where the majority of these institutions operate in several Member States.***

Or. fr

Amendment 2

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) Ensuring **effective** uniform resolution decisions for failing banks within the Union, including on the use of funding raised at Union level, is essential for the completion of the internal market in financial services. Within the internal market, the failure of banks in one Member State may affect the stability of the financial markets of the whole Union. Ensuring effective **and** uniform resolution rules and equal conditions of resolution financing across Member States is in the best interest not only of the Member States in which banks operate, but also of all Member States in general as a means to preserve competition and improve the functioning of the internal market. Banking systems in the internal market are highly interconnected, bank groups are international and banks have a large percentage of foreign assets. In the absence of a single resolution mechanism, bank crises in Member States participating in the Single Supervisory Mechanism (SSM) would have stronger negative systemic impact also in non-participating Member States. The establishment of the single resolution mechanism will increase stability of the banks of the participating Member States and prevent the spill-over of crises into non-participating Member States and will thus facilitate the functioning of the whole of the internal market.

Amendment

(7) Ensuring uniform **and coherent** resolution decisions for failing banks within the Union, including on the use of funding raised at Union level, **by means of a standardised decision-making process with a rapid intervention capacity**, is essential for the completion of the internal market in financial services. Within the internal market, the failure of banks in one Member State may affect the stability of the financial markets of the whole Union. Ensuring effective, uniform **and coherent** resolution rules and equal conditions of resolution financing across Member States is in the best interest not only of the Member States in which banks operate, but also of all Member States in general as a means to preserve competition and improve the functioning of the internal market. Banking systems in the internal market are highly interconnected, bank groups are international and banks have a large percentage of foreign assets. In the absence of a single resolution mechanism, bank crises in Member States participating in the Single Supervisory Mechanism (SSM) would have stronger negative systemic impact also in non-participating Member States. The establishment of the single resolution mechanism will increase stability of the banks of the participating Member States and prevent the spill-over of crises into non-participating Member States and will thus facilitate the functioning of the whole of the internal market.

Or. fr

Amendment 3

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) The sharing of resolution responsibilities between the national and the Union levels should be aligned to the sharing of supervision responsibilities between those levels. As long as supervision remains national in a Member State, that Member State should remain responsible for the financial consequences of a bank failure. The single resolution mechanism should therefore only extend to banks and financial institutions established in Member States participating in the SSM and subject to the supervision of the ECB within the framework of the SSM. Banks established in the Member States not participating in the SSM should not be subject to the single resolution mechanism. If such Member States became subject to the single resolution mechanism, this would create the wrong incentives for them. In particular, supervisors in these Member States may become more lenient towards banks in their jurisdictions as they would not have to bear the full financial risk of their failures. Therefore, in order to ensure parallelism with the SSM, the single resolution mechanism should apply to Member States participating in the SSM. As Member States join the SSM, they should also automatically become subject to the single resolution mechanism. Ultimately, the single resolution mechanism **is expected to** extend to the entire internal market.

Amendment

(10) The sharing of resolution responsibilities between the national and the Union levels should be aligned to the sharing of supervision responsibilities between those levels. As long as supervision remains national in a Member State, that Member State should **also** remain responsible for the financial consequences of a bank failure. The single resolution mechanism should therefore only extend to banks and financial institutions established in Member States participating in the SSM and subject to the supervision of the ECB within the framework of the SSM. Banks established in the Member States not participating in the SSM should not be subject to the single resolution mechanism. If such Member States became subject to the single resolution mechanism, this would create the wrong incentives for them. In particular, supervisors in these Member States may become more lenient towards banks in their jurisdictions as they would not have to bear the full financial risk of their failures. Therefore, in order to ensure parallelism with the SSM, the single resolution mechanism should apply to Member States participating in the SSM. As Member States join the SSM, they should also automatically become subject to the single resolution mechanism. Ultimately, the single resolution mechanism **should** extend to the entire internal market.

Or. fr

Amendment 4

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) In order to ensure a swift and effective decision making process in resolution, the Board should be a specific Union agency with **a specific** structure, corresponding to its specific tasks, and which departs from the model of all other agencies of the Union. Its composition should ensure that due account is taken of all relevant interests at stake in resolution procedures. The Board should operate in executive and plenary sessions. In its executive session, it should be composed of an Executive Director, a Deputy Executive Director, and representatives of the Commission and the ECB. Considering the missions of the Board, the Executive Director and Deputy Executive Director should be appointed by the Council on a proposal from the Commission and after **hearing** the European Parliament. When deliberating on the resolution of a bank or group established within a single participating Member State, the executive session of the Board should also convene and involve in the decision-making process the member appointed by the Member State concerned representing its national resolution authority. When deliberating on a cross-border group, the members appointed by the home and all host Member States concerned representing the relevant national resolution authorities should also be convened and involved in the decision-making process of the executive session of the Board. However, home authorities and host authorities should have a balanced influence on the decision, so host authorities should have jointly one single vote. Observers, including a representative of the ESM **and of** the Euro Group, may also be invited to attend the meetings of the

Amendment

(19) In order to ensure a swift and effective decision making process in resolution, the Board should be a specific Union agency with **its own** structure, corresponding to its specific tasks, and which departs from the model of all other agencies of the Union. Its composition should ensure that due account is taken of all relevant interests at stake in resolution procedures. The Board should operate in executive and plenary sessions. In its executive session, it should be composed of an Executive Director, a Deputy Executive Director, and representatives of the Commission and the ECB. Considering the missions of the Board, the Executive Director and Deputy Executive Director should be appointed by the Council on a proposal from the Commission and after **obtaining the approval of** the European Parliament. When deliberating on the resolution of a bank or group established within a single participating Member State, the executive session of the Board should also convene and involve in the decision-making process the member appointed by the Member State concerned representing its national resolution authority. When deliberating on a cross-border group, the members appointed by the home and all host Member States concerned representing the relevant national resolution authorities should also be convened and involved in the decision-making process of the executive session of the Board. However, home authorities and host authorities should have a balanced influence on the decision, so host authorities should have jointly one single vote. Observers, including a representative of the ESM, the Euro Group **and the European**

Board.

Parliament, may also be invited to attend the meetings of the Board.

Or. fr

Amendment 5

Proposal for a regulation Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) The principle of sincere cooperation between the European institutions is enshrined in the Treaties, specifically in Article 13(2) of the Treaty on European Union.

Or. fr

Amendment 6

Proposal for a regulation Recital 21

Text proposed by the Commission

Amendment

(21) The Board and the Commission, where relevant, should replace the national resolution authorities designated under Directive [] in respect of all aspects related to the resolution decision-making process. The national resolution authorities designated under Directive [] should continue to carry out activities related to the implementation of resolution schemes adopted by the Board. In order to ensure transparency and democratic control, as well as to safeguard the rights of the Union institutions, the Board should be accountable to the European Parliament and to the Council for any decisions taken on the basis of this proposal. ***For the same reasons of transparency and democratic***

(21) The Board and the Commission, where relevant, should replace the national resolution authorities designated under Directive [] in respect of all aspects related to the resolution decision-making process. The national resolution authorities designated under Directive [] should continue to carry out activities related to the implementation of resolution schemes adopted by the Board. In order to ensure transparency and democratic control, as well as to safeguard the rights of the Union institutions, the Board should be accountable to the European Parliament and to the Council, ***in their capacity as democratically legitimate institutions representing the European people and the***

control, national parliaments should have certain rights to obtain information about the activities of the Board and to engage in a dialogue with it.

Member States, for any decisions taken on the basis of this proposal.

Or. fr

Justification

For consistency with recital 55 of the SSM, which states that the ECB ‘must be accountable for the exercise of these tasks towards the European Parliament and the Council of Ministers as democratically legitimised institutions representing the European people and the Member States.’

Amendment 7

**Proposal for a regulation
Recital 21 a (new)**

Text proposed by the Commission

Amendment

(21a) For the purposes of transparency, accountability and democratic control, and with regard to the impact of the Board’s resolution activities on the interests of the Union as a whole, and on the coherence and integrity of the internal market in financial services, including their potential impact on the structures of national banking systems within the Union, national parliaments should have the right to obtain information on the Board’s activities and to engage in dialogue with it.

Or. fr

Amendment 8

Proposal for a regulation Recital 21 b (new)

Text proposed by the Commission

Amendment

(21b) At the request of the national parliaments of the participating Member States, it should be possible for the relevant committees of the national parliaments in question to hold a hearing, in the presence of the competent national authority, with a representative of the Board's supervisory committee.

Or. fr

Amendment 9

Proposal for a regulation Article 39 – paragraph 2

Text proposed by the Commission

Amendment

2. The term of office of the Executive Director, the Deputy Executive Director and of the members of the Board appointed by the Commission and the ECB shall be five years. Subject to Article 53(6), that term shall not be renewable.

2. The term of office of the Executive Director, the Deputy Executive Director and of the members of the Board appointed by the Commission and the ECB shall be five years. Subject to Article 52(6), that term shall not be renewable.

Or. fr

Amendment 10

Proposal for a regulation Article 39 – paragraph 3 – point a

Text proposed by the Commission

Amendment

(a) a plenary session of the Board, which shall exercise the tasks set out in Article 47;

(a) a plenary session of the Board, which shall exercise the tasks set out in Article 46;

Amendment 11

Proposal for a regulation

Article 39 – paragraph 3 – point b

Text proposed by the Commission

(b) an executive session of the Board, which shall exercise the tasks set out in Article **51**;

Amendment

(b) an executive session of the Board, which shall exercise the tasks set out in Article **50**;

Amendment 12

Proposal for a regulation

Article 39 – paragraph 3 – point c

Text proposed by the Commission

(c) an Executive Director, which shall exercise the tasks set out in Article **53**;

Amendment

(c) an Executive Director, which shall exercise the tasks set out in Article **52**;

Amendment 13

Proposal for a regulation

Article 41 – paragraph 2

Text proposed by the Commission

2. The Board shall submit each year a report to the European Parliament, the Council, the Commission **and** the European Court of Auditors on the execution of the tasks conferred upon it by this Regulation.

Amendment

2. The Board shall submit each year a report to the European Parliament, the Council, the Commission, the European Court of Auditors **and the national parliaments of participating Member States** on the execution of the tasks conferred upon it by this Regulation.

Amendment 14

Proposal for a regulation Article 41 – paragraph 3

Text proposed by the Commission

3. The Executive Director shall present that report *in public* to the European Parliament, and to the Council.

Amendment

3. The Executive Director shall present that report to the European Parliament, and to the Council.

Amendment 15

Proposal for a regulation Article 41 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

(3a) The national parliaments of the participating Member States may submit to the Board their reasoned observations on the report.

Amendment 16

Proposal for a regulation Article 41 – paragraph 7

Text proposed by the Commission

7. *Upon* request, the Executive Director shall hold confidential oral discussions behind closed doors with the Chair and Deputy-Chairs of the competent committee of the European Parliament where such

Amendment

7. ***At the request of the European Parliament or at his/her own*** request, the Executive Director shall hold confidential oral discussions behind closed doors with the Chair and Deputy-Chairs of the

discussions are required for the exercise of the European Parliament's powers under the Treaty. ***An agreement shall be concluded between the European Parliament and the Board on the detailed modalities of organising such discussions, with a view to ensuring full confidentiality in accordance with the confidentiality obligations imposed on the ECB as a competent authority under relevant Union law.***

competent committee of the European Parliament where such discussions are required for the exercise of the European Parliament's powers under the Treaty.

Or. fr

Justification

The provisions concerning the agreement to be concluded between the EP and the Board have been grouped together in a new paragraph 9 under Article 41.

Amendment 17

Proposal for a regulation Article 41 – paragraph 8

Text proposed by the Commission

8. During any investigations by the Parliament, the Board shall cooperate with the Parliament, subject to the TFEU. ***The Board and the Parliament shall conclude appropriate arrangements on the practical modalities of the exercise of democratic accountability and oversight over the exercise of the tasks conferred on the Board by this Regulation. Those arrangements shall cover, inter alia, access to information, cooperation in investigations and information on the selection procedure of the Executive Director.***

Amendment

8. During any investigations by the Parliament, the Board shall cooperate with the Parliament, subject to the TFEU.

Or. fr

Justification

The provisions concerning the agreement to be concluded between the EP and the Board have been grouped together in a new paragraph 9 under Article 41.

Amendment 18

Proposal for a regulation

Article 41 – paragraph 8 a (new)

Text proposed by the Commission

Amendment

8a. The European Parliament and the Board shall conclude appropriate arrangements on the practical modalities of the exercise of democratic accountability and oversight over the exercise of the tasks conferred on the Board by this Regulation.

These agreements shall specify the practical organisational arrangements for the confidential closed-door discussions between the Board and the Chairs and Vice-Chairs of the competent committee responsible in order to ensure that they are fully confidential in line with the confidentiality requirements imposed on the ECB as a competent authority by virtue of Union law.

Those arrangements shall also cover, inter alia, access to information, cooperation in investigations and information on the selection procedure of the Executive Director.

Or. fr

Justification

The provisions concerning the agreement to be concluded between the EP and the Board have been grouped together in a new paragraph 9 under Article 41.

Amendment 19

Proposal for a regulation Article 42 – paragraph 2

Text proposed by the Commission

2. The national Parliament of a participating Member State may invite the Executive Director to participate in an exchange of views in relation to the resolution of credit institutions in that Member State together with a representative of the national resolution authority.

Amendment

(Does not affect the English version.)

Or. fr

Amendment 20

Proposal for a regulation Article 43 – paragraph 2

Text proposed by the Commission

2. The members of the Board referred to in Article 40(2) shall act independently and objectively in the interest of the Union as a whole and shall neither seek nor take instructions from the Union's institutions or bodies, from any Government of a Member State or from any other public or private body.

Amendment

2. The members of the Board referred to in Article 39(1) shall act independently and objectively in the interest of the Union as a whole and shall neither seek nor take instructions from the Union's institutions or bodies, from any Government of a Member State or from any other public or private body.

Or. fr

Amendment 21

Proposal for a regulation Article 45

Text proposed by the Commission

Participation in plenary sessions

Amendment

Convening of and participation in plenary

All members of the Board shall participate in its plenary sessions.

sessions *of the Board*

1. The Executive Director shall convene meetings of the plenary session of the Board.

2. The Board in its plenary session shall hold at least two ordinary meetings a year. In addition, it shall meet on the initiative of the Executive Director, at the request of the Commission, or at the request of at least one third of its members.

3. All members of the Board shall participate in its plenary sessions.

4. The Board in its plenary session may invite observers to attend its meetings on an ad hoc basis.

5. The Board shall provide the secretariat of the plenary session of the Board.

(Linked to the amendment to Article 47.)

Or. fr

Justification

Combining Articles 45 and 47 makes it easier to read the arrangements for the convening of and participation in the plenary sessions and harmonises the structure of the regulation.

Amendment 22

Proposal for a regulation

Article 46 – paragraph 1 – point a

Text proposed by the Commission

(a) adopt, by 30 November of each year, the Board's annual work programme for the coming year ***in accordance with Article 49(1)***, based on a draft put forward by the Executive Director and shall transmit it for information to the European Parliament, the Council, the Commission, ***and*** the European Central Bank;

Amendment

(a) adopt, by 30 November of each year, the Board's annual work programme for the coming year based on a draft put forward by the Executive Director and shall transmit it for information to the European Parliament, the Council, the Commission, the European Central Bank ***and the national parliaments***;

Or. fr

Amendment 23

Proposal for a regulation

Article 46 – paragraph 1 – point b

Text proposed by the Commission

Jjjj(b) adopt the annual budget of the Board in accordance with Article 59(2);

Amendment

(b) adopt the annual budget of the Board in accordance with Article 58(2);

Or. fr

Amendment 24

Proposal for a regulation

Article 46 – paragraph 1 – point d

Text proposed by the Commission

(d) adopt an annual activity report on the Board's activities referred to in Article 42. This report shall present detailed explanations on the implementation of the budget;

Amendment

(d) adopt an annual activity report on the Board's activities referred to in Article 41. This report shall present detailed explanations on the implementation of the budget;

Or. fr

Amendment 25

Proposal for a regulation

Article 47

Text proposed by the Commission

Article 47

Meeting of the plenary session of the Board

1. The Executive Director shall convene meetings of the plenary session of the Board.

2. The Board in its plenary session shall

Amendment

deleted

hold at least two ordinary meetings a year. In addition, it shall meet on the initiative of the Executive Director, at the request of the Commission, or at the request of at least one-third of its members.

3. The Board in its plenary session may invite observers to attend its meetings on an ad hoc basis.

4. The Board shall provide for the secretariat of the plenary session of the Board.

(Linked to the amendment to Article 45.)

Or. fr

Amendment 26

Proposal for a regulation Article 48 – Title

Text proposed by the Commission

Amendment

Decision-making process

Decision-making

Or. fr

Justification

The same titles should be used for Articles 48 and 51, given that they both concern decision-making.

Amendment 27

Proposal for a regulation Article 48 – paragraph 1

Text proposed by the Commission

Amendment

1. The Board, in its plenary session, shall take its decisions by a simple majority of

1. The Board, in its plenary session, shall take its decisions by a simple majority of

its members. However, decisions referred to in point (c) of Article 47(1) shall be taken by a majority of *two-thirds* of its members.

its members. However, decisions referred to in point (c) of Article 46(1) shall be taken by a majority of *two thirds* of its members.

Or. fr

Amendment 28

Proposal for a regulation

Article 49 – Title

Text proposed by the Commission

Participation in the executive sessions

Amendment

Convening of and participation in the executive sessions ***of the Board***

Or. fr

Justification

The same wording should be used for the titles of articles covering the convening of and participation in plenary sessions and executive sessions.

Amendment 29

Proposal for a regulation

Article 49 – paragraph -1 (new)

Text proposed by the Commission

Amendment

-1. The Board, in its executive session, shall meet on the initiative of the Executive Director or at the request of two of its members. The executive sessions shall be chaired by the Executive Director.

The Board may invite observers to attend its executive sessions on an ad hoc basis.

(Linked to the amendments to Article 50(4) and Article 51(4)(2).)

Or. fr

Justification

This amendment seeks to specify the arrangements for convening the Board's executive sessions, which were originally covered under different provisions in a number of articles.

Amendment 30

**Proposal for a regulation
Article 49 – paragraph 1**

Text proposed by the Commission

1. Subject to paragraphs 2 and 3, the members of the Board referred to in Article 40(1)(a) to (d) shall participate in the executive sessions of the Board.

Amendment

1. Subject to paragraphs 2 and 3, the members of the Board referred to in Article 39(1)(a) to (d) shall participate in the executive sessions of the Board.

Or. fr

Amendment 31

**Proposal for a regulation
Article 49 – paragraph 2**

Text proposed by the Commission

2. When deliberating on an entity referred to in Article 2 or a group of entities established only in one participating Member State, the member appointed by that Member State shall also participate in the deliberations and in the decision-making process in accordance with Article 52(1) and (3).

Amendment

2. When deliberating on an entity referred to in Article 2 or a group of entities established only in one participating Member State, the member appointed by that Member State shall also participate in the deliberations and in the decision-making process in accordance with Article 51(1) and (3).

Or. fr

Amendment 32

Proposal for a regulation Article 49 – paragraph 3

Text proposed by the Commission

3. When deliberating on a cross-border group the member appointed by the Member State in which the group level resolution authority is situated, as well as the members appointed by the Member States in which a subsidiary or entity covered by consolidated supervision is established, shall participate in the deliberations and in the decision-making process in accordance with Article 52(2) and (3).

Amendment

3. When deliberating on a cross-border group the member appointed by the Member State in which the group level resolution authority is situated, as well as the members appointed by the Member States in which a subsidiary or entity covered by consolidated supervision is established, shall participate in the deliberations and in the decision-making process in accordance with Article 51(2) and (3).

Or. fr

Amendment 33

Proposal for a regulation Article 50 – paragraph 4

Text proposed by the Commission

4. The Board, in its executive session, shall meet on the initiative of the Executive Director or at the request of its members.

Amendment

4. The Board, in its executive session, shall meet on the initiative of the Executive Director or at the request of **two of** its members.

(Linked to the amendments to paragraph -1 of Article 49 and Article 51(4)(2).)

Or. fr

Justification

Linked to the new paragraph -1 of Article 49.

Amendment 34

Proposal for a regulation Article 50 – paragraph 5

Text proposed by the Commission

Amendment

5. The Board, in its plenary session, shall lay down the rules of procedure of the Board in its executive session. *deleted*

Or. fr

Justification

Provision has already been made for the adoption of the Board's rules of procedure in Article 46(1)(h).

Amendment 35

Proposal for a regulation Article 51 – paragraph 2

Text proposed by the Commission

Amendment

2. When deliberating on a cross-border group, the Board shall take its decisions in its executive sessions by a simple majority of its participating members. The members of the Board referred to in Article 40(2) and the member appointed by the Member State in which the group level resolution authority is situated shall each have one vote. The other participating members shall each have a voting right equal to a fraction of one vote and the number of national resolution authorities of the Member States in which a subsidiary or entity covered by consolidated supervision is established. In case of a tie the Executive Director shall have a casting vote.

2. When deliberating on a cross-border group, the Board shall take its decisions in its executive sessions by a simple majority of its participating members. The members of the Board referred to in Article 39(2) and the member appointed by the Member State in which the group level resolution authority is situated shall each have one vote. The other participating members shall each have a voting right equal to a fraction of one vote and the number of national resolution authorities of the Member States in which a subsidiary or entity covered by consolidated supervision is established. In case of a tie the Executive Director shall have a casting vote.

Or. fr

Amendment 36

Proposal for a regulation

Article 51 – paragraph 4 – subparagraph 1

Text proposed by the Commission

Amendment

The Board, in its executive session, shall adopt and make public the rules of procedure for its executive sessions. *deleted*

Or. fr

Justification

Provision has already been made for the adoption of the Board's rules of procedure in Article 46(1)(h).

Amendment 37

Proposal for a regulation

Article 51 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

Meetings of the Board in its executive session shall be convened by the Executive Director on his own initiative or upon request of two members, and shall be chaired by the Executive Director. The Board may invite observers to attend its executive sessions on an ad hoc basis. *deleted*

(Linked to the amendments to paragraph -1 of Article 49 and Article 50(4).)

Or. fr

Amendment 38

Proposal for a regulation

Article 52 – paragraph 2 – point d

Text proposed by the Commission

(d) implementation of the budget of the Board, in accordance with Article **59**(3);

Amendment

(d) implementation of the budget of the Board, in accordance with Article **58**(3);

Or. fr

Amendment 39

Proposal for a regulation

Article 52 – paragraph 5

Text proposed by the Commission

5. After hearing the Board, in its plenary session, the Commission shall propose a list of candidates to the Council for the appointment of the Executive Director and the Deputy Executive Director. . The Council shall appoint the Executive Director and the Deputy Executive Director after *hearing* the European Parliament.

Amendment

5. After hearing the Board, in its plenary session, the Commission shall propose a list of candidates to the Council for the appointment of the Executive Director and the Deputy Executive Director. The Council shall appoint the Executive Director and the Deputy Executive Director after *the list has been approved by* the European Parliament.

Or. fr

Amendment 40

Proposal for a regulation

Article 52 – paragraph 6

Text proposed by the Commission

6. By derogation from Article **40**(2), the term of office of the first Deputy Executive Director appointed after the entry into force of this Regulation shall be three years; this term is renewable once for a period of five years. The Executive Director and the Deputy Executive

Amendment

6. By derogation from Article **39**(2), the term of office of the first Deputy Executive Director appointed after the entry into force of this Regulation shall be three years; this term is renewable once for a period of five years. The Executive Director and the Deputy Executive

Director shall remain in office until their successors are appointed.

Director shall remain in office until their successors are appointed.

Or. fr

Amendment 41

Proposal for a regulation Article 52 – paragraph 7

Text proposed by the Commission

Amendment

7. An Executive Director or Deputy Executive Director whose term of office has been extended shall not participate in another selection procedure for the same post at the end of the overall period.

deleted

Or. fr

Justification

The term of office of the Executive Director and the Deputy Executive Director is laid down in Article 39(2).

Amendment 42

Proposal for a regulation Article 52 – paragraph 8

Text proposed by the Commission

Amendment

8. If the Executive Director or the Deputy Executive Director no longer fulfil the conditions required for the performance of their duties or have been guilty of serious misconduct, the Council may, on a proposal from the Commission and after **hearing** the European Parliament, remove the Executive Director or the Deputy Executive Director from office.

8. If the Executive Director or the Deputy Executive Director no longer fulfil the conditions required for the performance of their duties or have been guilty of serious misconduct, the Council may, on a proposal from the Commission and after **obtaining the approval of** the European Parliament, remove the Executive Director or the Deputy Executive Director from office.

Amendment 43

Proposal for a regulation Article 60 – paragraph 3

Text proposed by the Commission

3. By 31 March of each year the Board, in its executive session, shall transmit to the European Parliament, the Council, the Commission, **and** the Court of Auditors accounts of the Board's provisional accounts for the preceding financial year.

Amendment

3. By 31 March of each year the Board, in its executive session, shall transmit to the European Parliament, the Council, the Commission, the Court of Auditors **and the national parliaments** accounts of the Board's provisional accounts for the preceding financial year.

Or. fr

Amendment 44

Proposal for a regulation Article 60 – paragraph 5

Text proposed by the Commission

5. The Executive Director shall, by 1 July following each financial year, **shall** send the final accounts to the European Parliament, the Council, the Commission, **and** the Court of Auditors.

Amendment

The Executive Director shall, by 1 July following each financial year, send the final accounts to the European Parliament, the Council, the Commission, the Court of Auditors **and the national parliaments**.

Or. fr

Amendment 45

Proposal for a regulation Article 87 – paragraph 2 – point a

Text proposed by the Commission

(a) until the Executive Director takes up his duties following his appointment by the

Amendment

(a) until the Executive Director takes up his duties following his appointment by the

Council in accordance with Article 53, the Commission may designate a Commission official to act as interim Executive Director and exercise the duties assigned to the Executive Director;

Council in accordance with Article 52, the Commission may designate a Commission official to act as interim Executive Director and exercise the duties assigned to the Executive Director;

Or. fr

Amendment 46

Proposal for a regulation

Article 87 – paragraph 2 – point b

Text proposed by the Commission

(b) by derogation from Article 47(1)(i) and until the adoption of a decision as referred to in Article 47(2), the interim Executive Director shall exercise the appointing authority powers;

Amendment

(b) by derogation from Article 46(1)(i) and until the adoption of a decision as referred to in Article 46(2), the interim Executive Director shall exercise the appointing authority powers;

Or. fr