

Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 556 votes to 54 with 28 abstentions a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority) as regards its interaction with Council Regulation (EU) No .../.... conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise between Parliament and Council. They amend the proposal as follows:

Objectives of the EBA: the European Banking Authority (EBA or the Authority) shall enhance convergence of supervisory practices across the Union as a whole, provide opinions to the European Parliament, the Council and the Commission, and undertake economic analyses of the markets to promote the achievement of the Authority's objective.

It shall act independently, objectively and in a non-discriminatory manner, in the interests of the Union as a whole.

When carrying out the tasks conferred on it, the EBA should have full regard to the diversity of credit institutions and their size and business models, as well as to the systemic benefits of diversity in the European banking industry.

Accountability of the Authorities: the supervisory Authorities shall be accountable to the European Parliament and to the Council. The European Central Bank shall be accountable to the European Parliament and to the Council with regard to the exercise of the supervisory tasks conferred on it.

Tasks and competences of the EBA: the amended text states that the EBA will:

- contribute to the establishment of high-quality common regulatory and supervisory standards and practices, in particular by providing opinions to the Union institutions and by developing guidelines, recommendations, draft regulatory and implementing technical standards, and other measures;
- develop and maintain up to date, taking into account, inter alia, changing business practices and business models of financial institutions, a European supervisory handbook on the supervision of financial institutions in the Union as a whole, which sets out supervisory best practices for methodologies and processes;
- promote the coherent functioning of colleges of supervisors, the monitoring, assessment and measurement of systemic risk, the development and coordination of recovery and resolution plans;
- provide a high level of protection to depositors and investors throughout the Union
- develop methods for the resolution of failing financial institutions and an assessment of the need for appropriate financing instruments, with a view to fostering cooperation between competent authorities involved in the management of crisis concerning cross-border institutions that have the potential to pose a systemic risk.
- Consumer protection and financial activities: the Authority shall, a Committee on financial innovation, which brings together all relevant competent supervisory authorities with a view to achieving a coordinated approach to the regulatory and supervisory treatment of new or innovative financial activities and providing advice for the Authority to present to the European Parliament, the Council and the Commission.

The Authority may also assess the need to prohibit or restrict certain types of financial activity and, where there is such a need, inform the Commission and the competent authorities in order to facilitate the adoption of any such prohibition or restriction.

Emergency action: in exceptional circumstances where coordinated action by competent authorities is necessary, the Authority may adopt individual decisions requiring competent authorities to take the necessary action.

Decisions concerning actions in emergency situations should be adopted by a simple majority of the Board of Supervisors, which should include a simple majority of its members from competent authorities of participating Member States and a simple majority of its members from competent authorities of non-participating Member States.

Information: at the request of the Authority, the competent authorities shall provide the Authority with all the necessary information to carry out the tasks conferred on it. The information shall be accurate, coherent, complete and timely.

The EBA will be able to request information from financial institutions in relation to any information to which those financial institutions have legal access, including information held by persons remunerated by those financial institutions for carrying out relevant activities, audits provided to those financial institutions by external auditors and copies of relevant documents, books and records.

Requests for information by EBA must be duly justified and reasoned.