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Tartalomjegyzék:

Sajtóbejelentések

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1.

SPEECH/10/112

Michel Barnier
Member of the European Commission responsible for the Internal Market and Services

Laying the foundations for crisis prevention and management in Europe
Figures and graphics available in PDF and WORD PROCESSED
Conference on Building a Crisis Management Framework for the Internal Market

Brussels, 19 March 2010

I would like to start by thanking you all for being here and would also like to say thank you to the major players and officials from the various institutions, the financial industry, the professional organisations and the associations.

In suggesting to you that it is now time to reflect, exchange views and make proposals, the European Commission is doing what it is here to do.

I myself have been involved in a lot of risk-assessment work, but hitherto I have mainly focused on natural hazards. This experience has led me to hold **some beliefs** that I would like to share with you:

1. **Prevention is less expensive than cure**.
2. **This** violent, global **crisis can teach us some lessons**:
    - **about the very nature of progress and growth** – I am thinking in particular of the Europe 2020 project proposed by President Barroso, and the need to build intelligent, fair and different growth.
    - **about how to share our rules and regulations**, and exercise governance of our collective destiny.
3. Unless and until we learn from our past mistakes, **we will continue to behave irresponsibly**:

- economically: we must start afresh on solid foundations;

- financially: neither the taxpayers not the public purse can afford another crisis;

- politically: we need to tread carefully, to avoid the banana skin of protectionism and to ensure that domestic politics does not gain the upper hand over European thinking. The first victim of an 'every man for himself' approach will be the internal market.

We talk a lot about **responsibility** at the present time. My own particular responsibility is to strengthen and improve the single market and build greater confidence in Europe.

What we now need to do is to talk to one another about following a **new approach to risk-taking** and adopting a new **crisis management** and **foresight** culture.

How can we go about this? At present we are taking time out to listen to one another and to discuss the issues at stake. I would like to take this opportunity to thank the European Parliament which is doing likewise. We will be discussing the same topics with the Finance Ministers next month in Madrid. We will also be listening to what the ECB, the national central banks, the IMF, industry, experts and the regulators have to say.

And in the autumn, after listening, discussing and assessing the findings, **I will publish a Communication**. This is an area which requires serious consideration and there can be no question of improvising.

We now need to make an objective assessment of the problems, to ask a number of questions and to come up with a few answers.

First of all, **let us take a look at the problems**:

When the Icelandic banks could not be properly restructured, and Dutch and UK depositors were not compensated by the Icelandic guarantee fund, **the general public were barely aware of their rights or the protection mechanisms available.**

When groups were broken down into "national entities", **would reorganisation of the group as a whole have been more effective** or at least possible?

More often than not, **the legal systems in the Member States leave little or no choice between giving banks the last rites or saving them**.

It is quite understandable why governments were reluctant, to say the least, to let banks go into liquidation after the slump in confidence precipitated by the failure of Lehman Brothers.

I. The problems are global; we need to tackle them on a global scale.

Some national authorities are in the process of introducing legal remedies for resolving banking crises, giving preference to the possibility of **orderly 'resolution' (winding-up)** over bankruptcy or rescue or bail-out operations.

The United States is working to establish a **resolution fund** to ensure that the financial institutions themselves bear the risks they run in relation to the financial system.

Things are moving, therefore, and I detect a degree of convergence of views between Europe and its partners, including the United States, on this subject.

We need to **formulate a global policy in the context of G20**. The big 'systemic' banks are neither national nor European, but global.

That was why the Pittsburgh Summit asked us to carry out an examination concerning **the establishment of a resolution framework by the end of 2010**. This is an ambitious objective but it is a vital one. This is the direction we have to head in and Europe should show the way.

II. We need a resolution scheme in Europe

- **What does that involve?**

It is a question of administrative authorities **reorganising financial institutions before they become 'insolvent'**.

What is the reasoning behind this? The aim is to ensure that the **costs of the difficulties are borne by shareholders and by unsecured creditors, and not by taxpayers**, while ensuring **financial stability and continuity of services to users**.

This entails **'intrusive' resolution instruments**: transfer of ownership and/or assets, and the power to inflict losses on unsecured creditors. These are recommendations that the IMF has been making for a long time.

An appropriate legal framework is required for bank resolution, **but there is no such legal framework at present in the vast majority of Member States.**

One more question:

- **Why do we need to harmonise resolution instruments in Europe?**

All banks in Europe enjoy freedom to provide services and the right of establishment throughout Europe. This is a fundamental achievement of the internal market. The European banking scene therefore combines host countries and countries of origin. And these differ depending on the establishments in question.

Consequently, **resolution schemes need to be not only efficient but also balanced** so as to safeguard the financial stability of the host country and the financial stability of the country of origin.

This requires a **harmonised scheme** for the winding-up of banks.

Financial stability is not just a domestic concern in the European Union.

Let me give you a practical example.

Let us imagine that a cross-border group is adjudged to be failing by a board of supervisors. Today, in the absence of a harmonised crisis management framework, each national authority would apply its own instruments for the winding-up of each entity in the group. The groups would be broken up.

This might not necessarily be a bad thing, and may in fact be the most suitable way of avoiding contagion within a group, or even finding buyers for each legal entity.

But this is not the one and only solution. It may be cheaper and more efficient to find a buyer for the group as a whole, subject to disposing of certain assets or activities.

Financial stability and the protection of users of banking services are at stake, in Europe and in each and every Member State.

I should now like to raise the **delicate question of crisis management governance.**

This my third question:

III. What sort of crisis management governance is desirable?

How can we strike a good balance between domestic financial stability and financial stability in Europe?

- **The harmonisation of resolution schemes is the first essential step.**

There are those who propose **the introduction of group resolution or liquidation**, accompanied by increased decision-making powers for the European authorities so that they can decide on the winding-up of a group, the setting-up of a European resolution fund, or even the establishment of a European agency modelled on the Federal Deposit Insurance Corporation in the United States.

Others argue for **better coordination of national resolution schemes**. A coordination framework would greatly facilitate the winding-up of a group. In the wake of the crisis, however, the Member States are reluctant to consider surrendering their sovereignty where financial stability is concerned.

Harmonising national resolution instruments is, in my opinion, the first step that needs to be taken with a view to building a crisis management framework.

Ideally, all of the national authorities should be involved in one and the same resolution procedure. In practice, this would entail an evaluation of group assets by the national authorities working together, possibly proposing different batches of assets to potential buyers, and giving creditors 'haircuts'. And all this in a coordinated fashion.

- **A framework for coordinated action is needed, therefore, but is it enough?**

There is no easy answer to this question, but I have every hope that this conference will point us in the right direction.

It remains to be seen whether the harmonisation of bankruptcy law or increased powers for a European authority are necessary. I have therefore decided to convene a group of bankruptcy law experts to advise Commission staff in their endeavours.

Greater legal expertise is a necessity.

Politically, how can the differing interests of the Member States be reconciled, while recognising the legitimate aim of governments – which are accountable to the voters in their countries – of ensuring financial stability? **How can financial stability be achieved in an integrated way?**

That is a question that I want to raise with the Member States which – I am well aware – are intent on ensuring financial stability both within their own domestic sphere of responsibility and in Europe as a whole.

The issue of funding the resolution process will be a central factor in this debate.

And last but not least, Ladies and Gentlemen, I really must point out that:

- **an integrated response depends on finding a way to resolve the question of funding.**

In the vast majority of Member States, **the costs of winding-up are borne by the national budget** in the absence of crisis resolution funds financed by the private sector.

This gives rise to the awkward problem of **burden sharing** between Member States.

Not to mention the limits set on the powers of the European banking authority, whose decisions must not encroach on the governments' fiscal responsibility.

Is a resolution authority conceivable if the funding issue is not resolved?

Let me make one thing clear in this connection. A budgetary safeguard clause is only legitimate in the absence of a European crisis resolution framework. A European crisis resolution framework would mean that in the future there would be **few or no bail-outs, but instead orderly bank resolution.** Shareholders and unsecured creditors would have to pay. The managers would be held to account.

To my way of thinking, financial institutions should contribute to a resolution fund. It is just a matter of thinking ahead, and taking responsibility. But this is also undoubtedly a moral issue.

Why should the general public foot the bill for the excesses and reckless risk-taking of financial institutions? In environmental matters, it is a universally accepted principle that **the polluter pays**. I see no reason why things should be any different in financial matters.

Let us also be clear about the objective of a resolution fund. **It is not a new form of rescue or bail-out.** A resolution fund is part and parcel of a resolution scheme for ensuring bank restructuring. I intend to examine mechanisms for **burden sharing** between group resolution funds.

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Ladies and Gentlemen,

As you will realise by now, there are more questions than answers at the moment. More objectives than ready-made solutions. But what we have here are the beginnings of a pragmatic approach.

It seems to me that a resolution authority and a European resolution fund cannot be decreed. They will have to be established step by step **because they are based on confidence.**

It is my ambition that we succeed in ensuring that **in future any crisis that arises can be dealt with on a European basis.** Perhaps with a more **European approach** than we were able to muster during the crisis from which we have just emerged.

This will entail ensuring greater continuity of services for depositors, financial stability in all the countries where a group is established, and a resolution procedure that is less costly for society as a whole.

This presupposes harmonised resolution instruments and mechanisms for financing by the private sector. I am firmly convinced about this. **However, we must remain open to any institutional developments.**

2.

IP/10/258

Brussels, 10 March 2010

Insurance: Michel Barnier announces an in-depth examination of insurance against natural catastrophes

Michel Barnier, European Commissioner for Internal Market and Services, announced yesterday at the European Parliament in Strasbourg that the Commission would carry out an in-depth examination of insurance schemes covering national catastrophes, in particular flooding.

This initiative will involve a broad range of stakeholders and dialogue with Member States and insurance experts to exchange examples of best practice and to fix priorities at an appropriate level. The results of this dialogue with Member States, insurance experts and other interested parties will be the subject of a conference to be organised by the Commission during 2011.

This announcement came in response to an oral question by Irish MEP, Seán Kelly, regarding the "inability of the market to provide adequate cover" against flooding in certain Member States.

Mr Kelly's question follows very severe flooding in Ireland and the United Kingdom in November and December. It also comes shortly after violent floods caused by the Xynthia storm most notably caused the deaths of more than 50 people in France on 26 and 27 February.

Moreover, as Special Advisor to Commission President José Manuel Barroso, in May 2006, Michel Barnier presented a report proposing the creation of European civil protection force.

3.

SPEECH/ 10/52

Michel Barnier
Member of the European Commission responsible for Internal Market and Services

Informal remarks - restoring confidence in financial markets
Figures and graphics available in PDF and WORD PROCESSED

Dinner hosted by the British Bankers' Association

London, 1 March 2010

First of all, thank you for welcoming me here tonight. It is a pleasure for me to meet you all this evening in the City – the financial powerhouse of Europe.

Madam Chair, I know the close interest that your Association took in my appointment a few weeks ago.

Well, this evening, I would like to assure you of at least one thing.

That interest is mutual.

Before we start our discussion, allow me to make a few remarks.

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It is now nearly 2 years ago that the crisis started. I believe we can say that we succeeded in at least one thing. Averting the worst. And that is an achievement in itself.

But this achievement should not hide the extent of the damage done to our economies.

The worst performance in GDP growth in Europe since the 1930's. 23 million unemployed.

As for industrial production and fiscal consolidation, we now find ourselves where we were 20 years ago!

It's a " **Great leap backwards** ".

So the challenges facing us are clear.

Do we want to create a solid base for recovery and remain competitive?

D o we want to continue to support our social market economy model?

D o we want to cope with massive public debt and an ageing population?

D o we want to find new answers to the world's challenges?

If the answer to any of these questions is yes, then we will need **growth** . More than ever.

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What does this mean for me as the new Commissioner for Internal Market and Services?

What does this mean for the financial sector?

If we don't restore confidence in the markets, there will be no growth . We need to put the financial sector at the service of the real economy and its people. An efficient and innovative financial sector will provide the engine to power our companies.

The simple point is:

To restore confidence, we need regulation. And much better supervision.

But **smart** , effective and **proportionate** regulation.

Built on the fundamental principles of **better regulation** and **evidence-based policymaking** .

The greatest asset of the EU and for the future remains our **Single Market** . I have ambitious plans for the relaunch of the Internal Market. But I will concentrate on banking matters tonight.

I have set myself a number of priorities which I would like to share with you.

I have said that we cannot have growth without restoring confidence in **financial markets** .

1 . So my **first priority is: well supervised institutions**

Our objective must be to improve supervision all round in Europe. A big problem in one country can rapidly spill over to others. If day to day supervision is to remain principally at the national level, we need:

A Single Rule Book, coupled with strong supervisory coordination and real information sharing. And trust between home and host; effective dispute settlement amongst supervisors; fit-for-purpose emergency and crisis management; prudentially sound, interconnected infrastructure (e.g. clearing and settlement, payment systems …); and a powerful macro-prudential early warning system.

We need to find the right political agreement. It will require flexibility from all sides. I will work hard for an ambitious, but realistic result. We must conclude by mid-year if the new authorities are to start work at the beginning of next year.

2. My second priority is: well capitalised institutions

The G20 leaders agreed that our banks need **more and better capital** .

We are working with our partners in the Basel Committee to implement this.

The main issues are:

- getting more capital into the system and of better quality;
- proper capital levels for the trading book;
- liquidity standards;
- dealing with procyclicality;
- and
- possible leverage ratios.

I believe the EU and the Basel Committee share the same concerns. But these are complex issues.

Finding the right calibration and sequencing will be essential to make sure that the cumulative effect of these reforms does not constrain the credit markets and the recovery.

This is why we are dedicating the first half of 2010 to assessing the impact of these proposals, at global and EU level, before making any proposals.

This will be for the autumn.

We are also discussing the treatment of systemically important financial institutions.

We are looking with interest at **President Obama's proposals** . We share his aim of reducing systemic risk in the financial sector. However, I do not think that a cap on size and scope is the right solution in the European context.

I favour a more comprehensive approach. It is a complex area but we cannot shy away from it. I will not shy away from it.

3. My third priority is: responsible institutions

Let's be honest - Many financial institutions were not up to the job when managing risks.

This is why I want **better corporate governance** .

In particular we will need **competent directors** who have the ability to fulfill their function. Challenging the management and asking the right questions.

This is especially true for financial institutions where business models are among the most complex.

We need **strong risk management systems** with independent risk committees.

Outside the boards, **the right checks and balances** will have to be in place. Shareholders have been too absent in the past.

At the same time, **supervisors need to pay much closer attention**

Ladies and Gentlemen, my list of priorities is long. As agreed with our G20 partners, we need to fill the **regulatory loopholes** . I will do this by addressing issues such as Central Clearing Parties and the over-the-counter derivatives markets.

Transparency, safety and integrity are key.

Finally, let me add that we live in **a globalised world** . We cannot build our regulatory reform agenda alone. That is why I intend to work very closely with our American friends and other global partners. We need **global convergence.** And we need a **global level playing field** . 2010 is the crucial year for ensuring implementation of the London and Pittsburg Summit declarations.

The EU has an important role to play. On the G20 roadmap in particular, we need to lead by example.

But I do not want our firms to be victims of free riders in the G20 process.

Strict implementation is the minimum we will expect from our partners.

The credibility of our response to the crisis is at stake.

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Ladies and gentlemen,

Madam Chair,

I have come to London to listen to you and to your views. I look forward to our discussion.

Thank you very much for your hospitality and welcome.

A sajtóbejentések elérhetőek:

http://europa.eu.int/rapid/searchResultAction.do?search=OK&query=markt&username=PROF&advanced=0&guiLanguage=en