Council of the European Union

Brussels, 14 June 2024
(OR. en)

10735/24

Interinstitutional File: 2023/0363(COD)

LIMITE

EF 207
ECOFIN 664
CODEC 1477

PUBLIC

'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 1092/2010, (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2021/523 as regards certain reporting requirements in the fields of financial services and investment support *- Mandate for negotiations with the European Parliament*

I. BACKGROUND/INTRODUCTION

1. On 17 October 2023, the Commission submitted to the Council and the European Parliament a proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1092/2010, (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2021/523 as regards certain reporting requirements in the fields of financial services and investment support, which aims to facilitate data sharing between European Supervisory Authorities (ESAs) and other financial sector authorities and restraining new reporting requirements. The proposal also reduces the frequency of reporting for InvestEU implementing partners from every 6 months to once a year.

2. The draft Regulation is based on Article 114 of the Treaty on the Functioning of the European Union (TFEU) for the measures in the area of financial services and Articles 173 and 175(3) TFEU for the InvestEU measure (ordinary legislative procedure).

3. The opinion of the European Economic and Social Committee was adopted in plenary session on 14 February 2024[1].

4. No impact assessment was prepared for this proposal. The proposal concerns limited and targeted changes of legislation in view of rationalising reporting requirements. The main measures are based on experience in implementing legislation. As the proposed targeted changes ensure a more efficient and effective implementation of existing policies and there is a lack of different relevant policy options, an impact assessment was not deemed necessary. From June to September 2022, in the context of implementing the strategy on supervisory data in EU financial services, the Commission conducted a targeted consultation of authorities overseeing the EU financial system in order to identify barriers to data sharing among them. The results of the consultation were presented and further analysed in a workshop, held on 16 February 2023, with more than 130 representatives of the said authorities[2].

II. MAIN ELEMENTS

5. The Working Party on Financial Services and the Banking Union (Reporting Requirements) discussed the proposal at its meetings of 19 February and 27 March 2024.

[1] ST 6675 2024 INIT
[2] https://finance.ec.europa.eu/events/data-sharing-between-authorities-eu-financial-services-2023-02-16_en

6. In preparation of the working party meeting on 19 February 2024, the Presidency proposed a set of compromise amendments which were further revised following the meeting of 19 February and 27 March 2024, with a view to reaching a negotiating mandate on the amending Regulation. The Presidency compromise text amends the Commission proposal on certain aspects, in particular by specifying that the exchange of information should lie with the European Supervisory Authorities (ESAs) and the European Systemic Risk Board (ESRB), which should share the information received from the national competent authorities with other ESAs and Union and national authorities and that the information to be shared should be limited to the information required by reporting requirements stemming from Union law (and not national reporting requirements). The compromise further introduces a review clause to assess the inclusion of the newly established Anti-Money-Laundering Authority (AMLA) in the scope of entities targeted by this proposal, sets sharing of information with the European Commission as voluntary and introduces further safeguards for sharing information with third parties.

7. The Presidency's compromise text, as contained in document ST 10734 2024 INIT, gathers the required support of delegations.

8. In the European Parliament, the Committee on Economic and Monetary Affairs (ECON) has the lead responsibility. Mr Othmar KARAS was appointed as rapporteur and the Parliament adopted its first reading position on the proposal on 12 March 2024.

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III. CONCLUSION

9. The Permanent Representatives Committee is therefore invited to confirm agreement on the text of the mandate for negotiations with the European Parliament, as set out in document ST 10734 2024 INIT, to enable the Presidency to conduct those negotiations.

10. In accordance with the approach to legislative transparency endorsed by Coreper on 14 July 2020[3], and in full consistency with Regulation (EC) 1049/2001 and the Council's Rules of Procedure, the text of the mandate thus agreed will be made public unless the Permanent Representatives Committee objects.

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[3] 9493/20.