

AMENDMENT FORM

Suggestion for amendment of Article: 74 (ex 105)

By Mr Hain

Status : - Member

1. OK
 2. OK
 3. OK.
 4. OK.
 5. OK.
 6. A European law or framework law may confer upon the European Central Bank specific tasks concerning policies relating to the prudential supervision of credit institutions and other financial institutions with the exception of insurance undertakings. ~~Such law or framework law shall be adopted~~ The Council shall act unanimously, after consultation of the European Central Bank, and obtaining the assent of the European Parliament.
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Explanation (if any) :

There has been a lengthy debate on financial supervision in the EU: following the Lamfalussy report, the EU has recently established a set of committees to create a single market in financial services in the EU. The working group on Economic Governance considered that "a proper assessment of [Lamfalussy] could only be made in the light of sufficient experience." The group made no proposal to change article 105(6). There is no consensus in the Convention to change the existing procedure.

In terms of the ECB itself:

- *The ECB has a specific focus - maintaining price stability. Its additional powers are of a secondary nature and designed to bolster delivery of its primary objective.*
- *A power to turn the ECB into a supervisory body, if used, could make the ECB a different animal, a process that could compromise its primary objective.*

Overall, changing the legislative procedure for this article could have serious implications for market confidence in financial supervision, and in the ECB. This is a step that should not be taken lightly. As this article is quasi-constitutional, it is appropriate that the requirement of unanimity should be maintained.