

From: SUTTON Michelle (CAB-BARROSO)
Sent: Wednesday 24 October 2012 11:18
To: 'Lewis, Simon'
Cc: VIEIRA Maria Helena (CAB-BARROSO)
Subject: RE: BANKING UNION: AFME POSITION PAPER

7

Dear Simon,

Thank you for your kind message of 18 October and for sending me AFME's position paper on banking union. I would also like to thank you on behalf of Johannes Laitenberger my other colleagues in the Cabinet to whom you also sent your paper.

AFME's support for the overall objectives and general approach of the Commission's proposals for a Single Supervisory Mechanism is very welcome. The Commission was encouraged that last week, without prejudice to the ongoing legislative process, the European Council confirmed many of the key principles on which the Commission proposals were grounded. This includes many of the points which you have stressed in your position paper: openness to and equitable treatment of all Member States who want to participate; proper accountability; maintaining the level playing field and the integrity of the single market, including ensuring non-discriminatory and effective decision-making in EBA; tasking of the ECB with responsibility for prudential supervision and the power to intervene, if needed, with any bank in the euro area; and a clear separation of this supervisory function and the ECB's monetary policy functions.

The Commission shares AFME's view on the urgency of completing this work. The Commission was pleased that the European Council confirmed the political commitment to reach agreement on these proposals by 1 January 2013 so the Single Supervisory Mechanism can be phased in operationally over 2013. It is also important that the Commission's legislative proposals on bank recovery and resolution, on national deposit guarantee schemes, and on bank capital requirements are agreed in the same timeframe for the reasons you note in your position paper.

I have taken good note of the other points you raise in your paper as concerns areas where in AFME's view the proposals can still be improved. The Commission will continue to engage actively and constructively with the European Parliament and the Council to address all outstanding issues by the end of the year.

Thank you again for AFME's engagement and support in this important work.

Yours sincerely,
Michelle Sutton

Michelle Sutton
Member of Cabinet of President Barroso
European Commission

From: Stuecklin, Lucy [<mailto:Lucy.Stuecklin@afme.eu>] **On Behalf Of** Lewis, Simon
Sent: Thursday, October 18, 2012 1:41 PM
To: SUTTON Michelle (CAB-BARROSO)
Subject: BANKING UNION: AFME POSITION PAPER

Dear Michelle

I am pleased to send to you our initial position paper on proposals for a banking union, including a single supervisory mechanism.

AFME supports proposals to establish a banking union in Europe. This advance in market integration should enhance the European financial system in its key role of supporting the economy. It is an important step in resolving the Eurozone crisis, supporting the euro, and developing a coherent architecture for Economic and Monetary Union.

We agree with the overall approach proposed by the Commission and the need for rapid progress. We identify a number of important challenges to be addressed to ensure successful design and implementation of the new arrangements. Our note focuses in particular on the practical implementation of banking union and the single supervisory mechanism (SSM) from the perspective of supervised market participants.

We would be happy to discuss any aspect of these issues with you further.

Kind regards

Simon



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The Association for Financial Markets in Europe (AFME) represents a broad range of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks and other financial institutions.

AFME advocates stable, competitive and sustainable European financial markets, which support economic growth and benefit society.

AFME is listed on the EU Register of Interest Representatives, registration number 65110063986-76.