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**Extract of the Opinion in the framework of the political dialogue on
the proposal for a regulation of the European Parliament and of the
Council on structural measures improving the resilience of EU credit
institutions (COM (2014) 43 final)**

The Committee for European affairs of the French Senate:

Confirms its position in favour of the principle of a European banking structural reform, which, within a global regulatory agenda, aims at enhancing the financial stability and better integrating the Union's financial markets through an harmonisation of national laws,

Acknowledges the compromise reached by the Ecofin Council which marks a step in the adoption process of the reform ;

Underlines that the general approach adopted relies upon a regulation allowing for national legislation to achieve its major objectives ;

Thus regrets :

- the lack of pertinence, in regard to the principle of subsidiarity, of a regulation that makes explicit that national laws can achieve the same objectives ;
- the risk of setting a precedent which would question the very principles of European regulations, which are a tool for the harmonisation of national legislations ;
- the potential development of competition distortions and its consequences on the competitive position of the European financial sector, which arise when national options are allowed ;

Underlines that the granting of national options to a Member States, is based on a tacit agreement or, in the case of refusal, on an implementing act of the Commission ;

Thus regrets :

- the absence of justification for granting of national options ;
- the resort to an implementing act when an essential part of the regulation is at stake ;

Underlines the formulation, along the course of discussions, of various exemptions to the requirements of the regulation and of new thresholds substantially reducing the scope of financial institutions concerned by the application of the principles of separation ;

Thus regrets :

- the absence of impact analysis regarding those substantial modifications which forbids to make a decision with all due diligence
- the potential reduction of the scope of the regulation thus reducing its efficiency with regards to its original ambition ;

Asserts, in the light of the elements mentioned above, its concern for the fact that the characteristics of the legislative act that would be adopted at the end of the institutional trialogue, could :

- be detrimental to the aims of harmonisation and integration of the internal market ;
- not comply with the principles of subsidiarity and proportionality ;

Reminds the ambitions of the European Commission regarding the improvement of European legislative process in accordance with its project of interinstitutional agreement (COM (2015) 216 final) and thus suggests a concrete dialogue on the different concerns expressed on this regulation ;

Specifies that this approach is in line with protocole n°2 on the application of the principles of subsidiarity and proportionality, allowing a national parliament, to file , where relevant, a plea in the European Court of Justice against any legislative act that infringes the principle of subsidiarity.

The opinion is available on the French Senate's website :

http://www.senat.fr/fileadmin/Fichiers/Images/commission/affaires_europeennes/avis_politiques/Reformes_structurales_Expose_des_motifs_et_avis_politique.pdf

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