

[Commission backs greater European Central Bank regulatory powers for clearing systems to fulfil its monetary policy responsibilities](#)

The European Commission is today issuing a [favourable opinion](#) on the European Central Bank's (ECB) recommendation of 23 June 2017, in which the ECB asked for a greater role in regulating clearing systems for financial instruments, for example with regard to central counterparties (CCPs), by proposing to amend [Article 22](#) of its Statute.

With today's opinion, the Commission strongly welcomes the initiative to provide the ECB with a clear regulatory competence in the area of central clearing. With the proposed amendment to its Statute, the ECB seeks to bring clearing systems for financial instruments within its regulatory competences. This important change will enable the ECB to fully perform the tasks conferred on it by the [recent Commission proposal](#) to amend the European Market Infrastructure Regulation (EMIR). In his [Letter of Intent](#) of September 2017, Commission President Juncker urged the European Parliament and Council to swiftly adopt the proposal to amend EMIR and the ECB recommendation to amend Article 22.

In its opinion, the Commission also recommends some limited adjustments to the ECB proposal to underline the need for consistency with the regulatory powers between the ECB, the European Parliament, the Council and the Commission with regard to clearing systems.

The European Parliament and the Council will now consider for adoption the proposed changes to the ECB statute under the ordinary legislative procedure, thanks to a simplified procedure under Article 129(3) of the Treaty on the Functioning of the European Union. As President Juncker underlined in his [State of the Union speech](#) of 13 September, making use of the possibilities offered by such clauses – namely allowing for technical changes to the Treaty under the ordinary legislative procedure – is an important tool to allow for faster and more efficient EU decision-making.

Background

ECB recommendation

In its [recommendation](#) of 23 June, the ECB proposed amending Article 22 of the Statute of the European System of Central Banks and of the European Central Bank as follows:

“The ECB and national central banks may provide facilities, and the ECB may make regulations, to ensure efficient and sound clearing and payment systems, and clearing systems for financial instruments, within the Union and with

third countries.”

The recommendation suggests in particular that the ECB be given regulatory powers to adopt binding assessments and require remedial action, in close cooperation with other EU authorities. Moreover, where necessary for protecting the stability of the euro, the ECB should have the regulatory powers to adopt additional requirements for CCPs involved in the clearing of significant amounts of euro-denominated transactions. The ECB also emphasises that this new task should only be used for monetary policy purposes.

The Treaty on the Functioning of the European Union (Article 129 (3)) requires the Commission to provide an opinion on this recommendation. The European Parliament and Council then decide on the amendment.

Ongoing review of financial regulation

The ECB recommendation and today’s Commission opinion are to be seen in particular in the context of the Commission’s legislative proposal of 13 June 2017 to review the European Market Infrastructure Regulation (EMIR) (Regulation No 468/2012).

The proposed targeted reforms are designed to further improve the financial stability of the European Union. Central counterparties are already well-regulated and equipped to deal with financial distress, thanks to a range of measures adopted in the wake of the financial crisis. However, further amendments are still needed to ensure a more consistent and robust supervision of CCPs in EU and non-EU countries, as well as to deal with newly-emerging challenges. CCPs have become a systemically-important part of the financial sector and their importance is growing. In addition, the upcoming withdrawal of the United Kingdom from the EU will have a significant impact on the regulation and oversight of clearing in Europe.

The recommended change to the Statute would enable the ECB to perform fully the responsibilities that the Commission’s legislative proposal foresees for central banks of issue in the process of authorisation, recognition and oversight of CCPs based both within and outside the EU.

For more information

[Commission Opinion on the Recommendation of the European Central Bank amending Article 22 of the Statute of the European System of Central Banks and the European Central Bank](#)

Memo: [Commission Opinion on the Recommendation of the European Central Bank amending Article 22 of the Statute of the European System of Central Banks and the European Central Bank](#)

[Proposal](#) for a regulation amending European Market Infrastructure Regulation (EMIR)

[Communication](#) on further changes to European Market Infrastructure Regulation (EMIR)

[Proposal](#) on more robust supervision of central counterparties (CCPs)