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BANKS: EESC insists on proportionality of banking prudential rules

Brussels, 31/03/2017 (Agence Europe) – The European Economic and Social Committee (EESC) would like a more integrated approach to be adopted at European level to make the banking prudential rules more proportionate.

Within the Committee, we feel that the application of the principle of proportionality of the rules is *"too fragmented and too limited"*, said Daniel Mareels (Group I, Belgium), the author of the opinion adopted by the EESC on Thursday 30 March. He feels that an in-depth analysis is necessary to determine a more structured approach so that more small banks and financial activities are covered by rules in proportion to the risks they bring to bear on the financial sector.

The EESC also considers that the legislative package (CRD-CRR) presented by the European Commission in November 2016 (*see EUROPE 11674*), is likely to reduce financial risks, stimulate the financing of the real economy and restore consumer confidence.

This raft of rules should allow progress on financial solidarity at the same time, he added, by finalising banking union in the eurozone and setting in place a European deposit insurance scheme (EDIS) (*see EUROPE 11734*).

This project no longer seems to be a priority for the European legislator, at least not before the German elections of September. The German government recommends reducing financial risks before finalising banking union.

The director of the Belgian financial sector federation (Febelfin) has incidentally regretted the fact that the legislative package (CRD-CRR) does not include measures to support the financing of the social economy. Referring to the early signals sent out by the Trump administration, he also warned against any attempt to deregulate the financial system at international level, calling on the Europeans to get involved on the ground to block the emergence of competition distortions to the disadvantage of European banks. *(Original version in French by Mathieu Bion)*

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