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Regulation on the reporting and transparency of securities financing transactions and on reuse

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This new regulation will bring an additional dose of transparency to ways the financial sector functions.

It will enable us to have a better view of what is going on in the shadow banking system: who transacts with whom, when, on what type of assets, and under what conditions. This will help market participants.

I also trust that transparency will prevent activities from migrating from the banking system to the less-regulated non-bank system, which was the original intention of the Commission when presenting the proposal.

In this respect, I find it particularly important that information on the securities financing transactions entered into by funds (UCITS and AIFs) is disclosed to investors, so that they can perform their assessments and their due diligence.

The good news is also that the three institutions agreed to use the opportunity of this regulation to make two amendments to EMIR.

One will give the right to access information retained in trade repositories to the resolution authorities established after the entry into force of EMIR. We all know the importance for resolution authorities of having good-quality supervisory data as a basis on which to perform their duties.

We have also made a technical change which is expected to make it easier for the European Commission to declare the supervisory arrangements of a third country as equivalent under EMIR.

I am personally happy that we agreed on the exemption of SMEs from the reporting requirements: when they transact with a fund, a bank or an investment firm, it is the counterparty that will deal with the reporting on behalf of both parties.