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"Looking at challenges ahead"

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Thank you very much for the invitation; to be here, at the launch of the new premises of the International Swaps and Derivatives Association (ISDA). It is a great pleasure to find myself amongst colleagues; there are so many faces I recognise in this room. I have had the opportunity to meet with numerous of you in the past, and I still count to talk to you and work together in the future.

We are currently in the opening of the new institutional cycle, and as it is often the case on meetings like that, we tend to look back to assess what we have done and what is ahead.

We are all aware of how much work has been done over the last decade; some would say too much. Therefore, assessing our way forward, I couldn't agree more on the need to look at what we can improve. Some major pieces of financial legislation will be under review in the months and years to come. We would look again at the administrative burden that we know it exists and at the proportionality of our rules. We will look at how we shape global standards and importantly on how we implement them.

We are legislators and in this process, we are learning from practitioners the holistic consequences of our work and of the rules that we put forward, of the new solutions we are implementing. We all, I hope, appreciate cooperation and constructive

exchanges between European Institutions, industry, academia and consumer representatives. Your organisation, ISDA, has a long-standing presence in Brussels and has played an active role in helping us legislators to better understand what we have to address through our legislative work and help us in our assessments.

I remember your readiness to share with us, members of the European Parliament, our advisors and assistants, your expertise regarding our legislation in the area of clearing houses, the proposed framework for recovery and resolution, and the amendments to EMIR, Refit and EMIR II.2.

Myself, being the rapporteur in the European Parliament on review of the supervisory framework for EU and third country clearing counterparties, known as EMIR II.2, I have appreciated our cooperation. This work is not final yet, as we are currently working on the implementing measures to the framework. I hope we will continue to work together.

At the same time, we are also looking at the wider picture. The European Union does not exist in vacuum but forms part of the wider global economy. . We tend to look at the environment in which other firms from other jurisdictions with different regulatory and supervisory function. This global environment has, however, been changing geopolitically. A change that has been influencing the competitiveness of all sectors of our financial industry.

New different global challenges have emerged. Ensuring the stability of our financial system is still our priority, but we also need to protect and strengthen our ability to grow and finance our economy. In this context, we have to look at the new risks that are emerging but also seize the opportunities that are unfolding. For instance, greening our economy is a good credible example that has received unprecedented impetus. Financial industry has to take these opportunities seriously into account and we see that many already have. The same is true for our regulatory and supervisory work.

Financial innovation is both an opportunity that must not be missed and a risk that must be accounted for.

Looking anew at the CMU, our focus should lie in making European capital markets globally attractive. There is currently a clear consensus from institutions and industry, that new political impetus is needed to make the CMU plan more ambitious. Our objective should be to ensure its cross border functioning and global attractiveness is key for the long-term wellbeing of the European Union.

However, there are still too many regulatory barriers and national options. European Commission has the most important part to play, and we are awaiting Ursula Von der Leyen assume office and set the priorities for the next CMU.

I hoped not to say the Brexit word on this occasions Brexit has become a permanent element of the European landscape and the uncertainty it creates cannot, and should not be ignored. The most pertinent question is whether it is all doable. It is important to remember that we have been working for the past years to reduce the risk of further fragmenting global financial markets. It is important to remember that this work should not be wasted. For many financial industries there is no other alternative to globalisation.

One other factor to keep in mind is the new political landscape. As I am sure you have noticed, this new Parliament is certainly different. European citizens' vote earlier this year resulted in a new European Parliament with 64% new members. The start of our work is rather slow, but I am sure the needed speed will come. In addition, the new European Commission has been delayed from taking office and its completion is a big unknown. What seems rather clear is that we will have Vice President elect Valdis Dombrovskis in charge of financial markets, and we trust his constructive and pragmatic approach. Under the prism of the new dynamics, it has become clear, that we will have a Commission focusing on implementation, enforcement and completion of unfinished business. The Capital Markets Union seems to be very high on the agenda of both the European Commission and the Council, however I am worrying that the approaches differ.

Considering the new political environment, the new Parliament and the fact that ECON has many new members, work will be heavy and demanding. We are ready as legislators to do our job in a way that would allow Europe to remain competitive in this global and often unfriendly world.

I would close this (not so short) intervention by saying that in fulfilling our work as legislators, we need experience, we need expertise, and we have to keep the dialogue open. I, therefore, hope we will continue our cooperation in a way that will make our regulatory framework fit for the challenges we face.