President,
Honourable Members,

I am grateful for the opportunity to take part in this discussion, and in particular to clarify a number of points.

I hope that this will enable all of us to move on and improve our co-operation in this important area.

Firstly I cannot agree with the underlying premise on which this question is based. It is neither reasonable nor correct to say there is a lack of progress in Council in the financial services sector. Quite the contrary - the Council is continuing to make significant progress in very complicated negotiations on some important files.

So far we have given particular priority to those legislative files related to the banking sector. This is fully justified given the importance of this sector and the need to break the link between the banks and sovereign debt.

I would like to clearly set out the significant progress we have made in the financial services area in just in a few months.

First, we have reached political agreement on two fundamental building blocks in reforming the banking sector and of the future Banking Union - the agreement on the banking supervision package as well as the capital requirements directive and regulation. I have referred on several occasions to the importance of these legislative acts.

I note that the European Parliament has postponed its vote on the SSM package to the September Plenary. I very much hope that this timetable change will not complicate completion of this work.

On CRD4, which will be formally adopted by both institutions in the next few days and published before July, the negotiations have been long and difficult.

In April we reached political agreement on the Mortgage Credit Directive which will allow for rapid implementation of new rules benefiting mortgage holders and consumers across Europe. I expect this Directive to be adopted at first reading, if the European Parliament continues to respect the terms of the 2011 Joint Political Declaration on explanatory documents.

We have also recently reached political agreement on the Transparency Directive, which will increase the attractiveness of regulated markets for small and medium-sized issuers. Let me thank you for your excellent co-operation on this dossier and other dossiers.
But it is only fair to also refer to some of the difficulties and challenges we face.

Today we have around twenty legislative proposals in the financial services sector on the table and as we reach agreement on some, new proposals come on the table.

Commissioner Barnier said recently that there is no valid reason to stop issuing new proposals. He is probably right, given the circumstances. But it is also true that some of the Commission's proposals, as well as the amendments proposed by the European Parliament require further elaboration.

They benefit from open discussion and debate and this helps to improve them. For this we need to draw on the expertise in Member State governments.

Our main objective has to be to deliver high quality legislation which is realistic, effective and operational. We should aim to deliver fast, but not sacrifice quality as a result. I think this is a reasonable approach and it has served us well.

One example is the MIFID/MIFIR review process. This is the cornerstone of the EU's implementation of the G20 commitments on the way financial markets operate.

MIFID needs to be adapted to keep up with technological developments and financial innovation. The impact of the new rules cannot be under-estimated and it is vital to get them right.

The Council has been working hard to achieve a better and more balanced text. This is not something that can be done overnight.

Another example is the negotiation on the Deposit Guarantee Schemes (DGS). The approach we have taken is to complete the financing arrangements in the Bank Recovery and Resolution (BRR) proposal as there are overlaps with financing of Deposit Guarantee Schemes where Member States decide to have one fund for both BRR and DGS or a separate fund for each.

It makes sense to put the DGS proposal on hold until then, since the funding of Member States Deposit Guarantee Schemes is complementary to their resolution funds.

On this, the Parliament itself chose to vote its opinion at first reading on the text in February 2012, while the Council was working hard to continue the negotiations in trilogues.

On the Investor Compensation Schemes Directive, given its link with the Deposit Guarantee Schemes Directive, these negotiations will need to wait for an agreement on that file.

On Solvency II, we recognise the importance of ensuring that prudential requirements in the insurance business rely on risk based methodologies.

But we will not be able to provide our contribution immediately. This is because the negotiations are awaiting the outcome of an ex-ante impact assessment requested by the European Parliament during the negotiations last year with the Council.

Progress has overall been impressive, contrary to what is suggested in your question.

Of course we can always improve and do better. The Council for its part will keep up the necessary pace and quality. I hope the Parliament will continue to do the same.

Looking forward, we are looking to agree a general approach in the Council on the Bank Recovery and Resolution Directive and on the legislative proposal relating to Packaged Retail Investment Products.

The European Council has called for the adoption of the forthcoming proposal on a Single Resolution Mechanism by the end of this parliamentary term. We aim to respect this timeframe. This will be yet another priority file.
Secondly, we had hoped to reach political agreement on the MAR (Market Abuse Regulation), but we are not sure of the prospects now following the parliament's cancellation of tomorrow's trilogue.

We hope this work will be completed in the next few weeks. This will leave us with only technical adjustments pending the outcome of MIFID and MIFIR negotiations.

Thirdly, on the Central Securities Depositories Regulation, we have made good progress and are aiming to reach a general approach this month, in order to start trilogues with the Parliament as soon as possible.

We will also continue to work hard on other files, such as the UCITS text and the Commission proposals to improve the existing rules on anti-money laundering and fund transfers, in accordance with the guidelines given by the European Council.

These objectives are achievable, and will require the support of the Commission and the European Parliament to continue to cooperate constructively with the aim of reaching an acceptable compromise.

By way of conclusion, I do not accept that there has been a lack of progress in Council on the financial services files.

In fact, as outlined above there has been huge progress on these files. We are aiming for rapid results, but also an outcome of quality. Sometimes that takes time.

We look to Parliament also to play its role, and I look forward to hearing from you as to how you intend to do that over the coming months.

I thank you for your attention.