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A8-0216/2018

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REPORT

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 806/2014 as regards loss-absorbing and Recapitalisation Capacity for credit institutions and investment firms (COM(2016)0851 – C8-0478/2016 – 2016/0361(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Gunnar Hökmark

Symbols for procedures

*	Consultation procedure
***	Consent procedure
***I	Ordinary legislative procedure (first reading)
***II	Ordinary legislative procedure (second reading)
***III	Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either **the ▌** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.
By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 806/2014 as regards loss-absorbing and Recapitalisation Capacity for credit institutions and investment firms
(COM(2016)0851 – C8-0478/2016 – 2016/0361(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2016)0851),

– having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0478/2016),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to Rule 59 of its Rules of Procedure,

– having regard to the report of the Committee on Economic and Monetary Affairs (A8-0216/2018),

1. Adopts its position at first reading hereinafter set out;

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

2016/0361 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 806/2014 as regards loss-absorbing and Recapitalisation Capacity for credit institutions and investment firms

* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol ▌.

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank[1] ,

Having regard to the opinion of the European Economic and Social Committee[2] ,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The Financial Stability Board (FSB) published the Total Loss-Absorbing Capacity (TLAC) Term Sheet ('the TLAC standard') on 9 November 2015, which was endorsed by the G-20 in November 2015. The TLAC standard requires global systemically important banks ('G-SIBs'), referred to as global systemically important institutions ('G-SIIs') in the Union framework, to hold a sufficient minimum amount of highly loss absorbing (bailin-able) liabilities to ensure smooth and fast absorption of losses and recapitalisation in resolution. In its Communication of 24 November 2015[3], the Commission committed to bring forward a legislative proposal by the end of 2016 that would enable the TLAC standard to be implemented by the internationally agreed deadline of 2019.

(2) The implementation of the TLAC standard in the Union needs to take account of the existing institution-specific minimum requirement for own funds and eligible liabilities ('MREL') applicable to all Union credit institutions and investment firms as laid down in Directive 2014/59/EU of the European Union and of the Council[4]. As TLAC and MREL pursue the same objective of ensuring that Union institutions have sufficient loss absorbing and recapitalisation capacity, the two requirements should be complementary elements of a common framework. Operationally, the harmonised minimum level of the TLAC standard for G-SIIs ('TLAC minimum requirement') should be introduced in

[1] OJ C […], […], p. […].
[2] OJ C […], […], p. […].
[3] Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions, "Towards the completion of the Banking Union", 24.11.2015, COM(2015) 587 final
[4] Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, OJ L 173, 12.6.2014, p. 190

Union legislation through amendments to Regulation (EU) No 575/2013[1], while the institution-specific add-on for G-SIIs and the institution-specific requirement for non-G-SIIs, referred to as minimum requirement for own funds and eligible liabilities, should be addressed through targeted amendments to Directive 2014/59/EU and Regulation (EU) No 806/2014[2]. The relevant provisions of this Regulation as regards loss absorbing and recapitalisation capacity of institutions should be applied together with those in the aforementioned pieces of legislation and in Directive 2013/36/EU[3] in a consistent way.

(3) The absence of harmonised rules in the Member States participating in the Single Resolution Mechanism (SRM) in respect of the implementation of the TLAC standard would create additional costs and legal uncertainty ▌ and make the application of the bail-in tool for cross-border institutions more difficult. The absence of harmonised Union rules also results in competitive distortions on the internal market given that the costs for institutions to comply with the existing requirements and the TLAC standard may differ considerably across the participating Member States. It is therefore necessary to remove those obstacles to the functioning of the internal market and to avoid distortions of competition resulting from the absence of harmonised rules in respect of the implementation of the TLAC standard. Consequently, the appropriate legal basis for this Regulation is Article 114 of the Treaty on the Functioning of the European Union (TFEU), as interpreted in accordance with the case law of the Court of Justice of the European Union.

(4) In line with the TLAC standard, Regulation (EU) No 806/2014 should continue to recognise the Single Point of Entry (SPE), as well as the Multiple Point of Entry (MPE) resolution strategy. Under the SPE strategy, only one group entity, usually the parent undertaking, is resolved whereas other group entities, usually operating subsidiaries, are not put in resolution, but upstream their losses and recapitalisation needs to the entity to be resolved. Under the MPE strategy, more than one group entity may be resolved. A clear identification of entities to be resolved ('resolution entities') and subsidiaries that belong to them ('resolution groups') is important to apply the desired resolution strategy effectively. That identification is also relevant for determining the level of application of the rules on loss absorbing and recapitalisation capacity that financial firms should apply. It is therefore necessary to introduce the concepts of 'resolution entity' and 'resolution group' and to amend Regulation (EU) No 806/2014 concerning group resolution planning in order to explicitly require the Single Resolution Board ('the Board') to identify the resolution entities and resolution groups within a group and to

[1] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, OJ L 176, 27.6.2013, p.1

[2] Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, OJ L 225, 30.7.2014, p. 1

[3] Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, OJ L 176, 27.6.2013, p. 338

consider the implications of any planned resolution action within the group appropriately to ensure an effective group resolution.

(5) The Board should ensure that institutions have sufficient loss absorbing and recapitalisation capacity to ensure smooth and fast absorption of losses and recapitalisation in resolution with a minimum impact on financial stability and taxpayers. That should be achieved through compliance by institutions with an institution-specific minimum requirement for own funds and eligible liabilities as provided in Regulation (EU) No 806/2014.

(6) In order to align denominators that measure the loss absorbing and recapitalisation capacity of institutions with those provided in the TLAC standard, the MREL should be expressed as a percentage of the total risk exposure amount and of the leverage ratio exposure measure of the relevant institution.

(7) Eligibility criteria for liabilities for the MREL should be closely aligned with those laid down in Regulation (EU) No 575/2013 for the TLAC minimum requirement, in line with the complementary adjustments and requirements introduced in this Regulation. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, should be eligible to meet the MREL to the extent that they have a fixed principal amount repayable at maturity while only an additional return is linked to a derivative and depends on the performance of a reference asset. In view of their fixed principal amount, those instruments should be highly loss-absorbing and easily bail-inable in resolution.

(8) The scope of liabilities to meet the MREL includes, in principle, all liabilities resulting from claims arising from unsecured non-preferred creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria provided in this Regulation. To enhance the resolvability of institutions through an effective use of the bail-in tool, the Board should be able to require that the firm-specific requirement is met with subordinated liabilities, in particular when there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed their potential losses in insolvency. The requirement to meet MREL with subordinated liabilities should be requested only for a level necessary to prevent that losses of creditors in resolution are above losses that they would otherwise incur under insolvency. Any subordination of debt instruments requested by the Board for the MREL should be without prejudice to the possibility to partly meet the TLAC minimum requirement with non-subordinated debt instruments in accordance with Regulation (EU) No 575/2013 as permitted by the TLAC standard.

(9) The MREL should allow institutions to absorb losses expected in resolution and recapitalise the institution post-resolution. The Board should, on the basis of the resolution strategy chosen by them, duly justify the imposed level of the MREL, in particular as regards the need and the level of the requirement referred to in Article 104a of Directive 2013/36/EU in the recapitalisation amount. As such, that level should be composed of the sum of the amount of losses expected in resolution that correspond to the institution's own funds requirements and the recapitalisation amount that allows the institution post-resolution to meet its own funds requirements necessary for being authorised to pursue its activities under the chosen resolution strategy. The MREL should be expressed as a percentage of the total risk exposure and leverage ratio measures, and institutions should meet the levels resulting from the two measurements simultaneously. The Board should be able to adjust the recapitalisation amounts in cases

duly justified to adequately reflect also increased risks that affect resolvability arising from the resolution group's business model, funding profile and overall risk profile and therefore in such limited circumstances require that the recapitalisation amounts referred to in the first subparagraph of Article 12d(3) and (4) are exceeded.

(10) To enhance their resolvability, the Board should be able to impose an institution-specific MREL on G-SIIs in addition to the TLAC minimum requirement provided in Regulation (EU) No 575/2013. That institution-specific MREL may only be imposed where the TLAC minimum requirement is not sufficient to absorb losses and recapitalise a G-SII under the chosen resolution strategy.

(11) When setting the level of MREL, the Board should consider the degree of systemic relevance of an institution and the potential adverse impact of its failure on the financial stability. The Board should take into account the need for a level playing field between G-SIIs and other comparable institutions with systemic relevance within the participating Member States. Thus MREL of institutions that are not identified as G-SIIs but the systemic relevance within participating Member States of which is comparable to the systemic relevance of G-SIIs should not diverge disproportionately from the level and composition of MREL generally set for G-SIIs..

(12) Similarly to powers conferred to competent authorities by Directive 2013/36/EU, the Board should be allowed to impose higher levels of MREL while addressing in a more flexible manner any breaches of those levels, in particular by alleviating the automatic effects of those breaches in the form of limitations to the Maximum Distributable Amounts ('MDAs'). The Board should be able to give guidance to institutions to meet additional amounts to cover losses in resolution that are above the level of the own funds requirements laid down in Regulation (EU) No 575/2013 and Directive 2013/36/EU, and/or to ensure sufficient market confidence in the institution post-resolution. To ensure consistency Directive 2013/36/EU, guidance to cover additional losses may only be given where the 'capital guidance' has been requested by the competent supervisory authorities in accordance with Directive 2013/36/EU and should not exceed the level requested in that guidance. For the recapitalisation amount, the level requested in the guidance to ensure market confidence should enable the institution to continue to meet the conditions for authorisation for an appropriate period of time including by allowing the institution to cover the costs related to the restructuring of its activities following resolution. The market confidence buffer should not exceed the combined capital buffer requirement under Directive 2013/36/EU unless a higher level is necessary to ensure that, following the event of resolution, the entity continues to meet the conditions for its authorisation for an appropriate period. Where an entity consistently fails to have additional own funds and eligible liabilities as expected under the guidance, the Board should be able to require that the amount of the MREL be increased to cover the amount of the guidance. For the purposes of considering whether there is a consistent failure, the Board should take into account the entity's reporting on the MREL as required by Directive 2014/59/EU.

(13) In line with Regulation No 575/2013, institutions that qualify as resolution entities should only be subject to the MREL at the consolidated resolution group level. That means that resolution entities should be obliged to issue eligible instruments and items to meet the MREL to external third party creditors that would be bailed-in should the resolution entity enter resolution.

(14) Institutions that are not resolution entities should comply with the firm-specific requirement at individual level. Loss absorption and recapitalisation needs of those institutions should be generally provided by their respective resolution entities through the acquisition by resolution entities of eligible liabilities issued by those institutions and their write-down or conversion into instruments of ownership when those institutions are no longer viable. As such, the MREL applicable to institutions that are not resolution entities should be applied together and consistently with the requirements applicable to resolution entities. That should allow the Board to resolve a resolution group without placing certain of its subsidiary entities in resolution, thus avoiding potentially disruptive effects on the market. Subject to the agreement of the Board, it should be possible to replace the issuance of eligible liabilities to resolution entities with collateralised guarantees between the resolution entity and its subsidiaries, that can be triggered when the timing conditions equivalent to those allowing the write down or conversion of eligible liabilities are met. The collateral backing the guarantee should be highly liquid and have minimal market and credit risk. The Board should also be able to fully waive the application of the MREL applicable to institutions that are not resolution entities if both the resolution entity and its subsidiaries are established in the same participating Member State.

(15) The application of the MREL to institutions that are not resolution entities should comply with the chosen resolution strategy. In particular, it should not change the ownership relationship between the institutions and its resolution group after those institutions have been recapitalised.

(16) Any breaches of the TLAC minimum requirement and of the MREL should be appropriately addressed and remedied by competent authorities, resolution authorities and the Board. Given that a breach of those requirements could constitute an impediment to institution or group resolvability, the existing procedures to remove impediments to resolvability should be shortened to address any breaches of those requirements expediently. The Board should also be able to require institutions to modify the maturity profiles of eligible instruments and items and to prepare and implement plans to restore the level of those requirements.

(17) This Regulation complies with the fundamental rights and observes the principles recognised in particular by the Charter, notably the rights to property and the freedom to conduct a business, and has to be applied in accordance with those rights and principles.

(18) Since the objectives of this Regulation, namely to lay down uniform rules for the purposes of Union recovery and resolution framework, cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale of the action, be better achieved at Union level, the Union may adopt this Regulation, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(19) To allow for an appropriate time for the application of this Regulation, this Regulation should be applied [18 months from its entry into force].

HAVE ADOPTED THIS REGULATION:

Article 1

1. Amendments to Regulation (EU) No 806/2014Article 3(1) is amended as follows:

(a) the following points are inserted:

"(24a)'resolution entity' means an entity established in the Union identified by the Board in accordance with Article 8 as an entity in respect of which the resolution plan provides for resolution action;

(24b) 'resolution group' means***:***

(a) a group of entities identified by the Board in accordance with Article 8, which consists of resolution entity and its subsidiaries that are not ***:***

(i) ▌ resolution entities ***themselves;***

(ii) ▌ subsidiaries of ▌ other resolution ***entities; or***

(iii) entities established in a third country that are not included in the resolution group in accordance with the resolution plan and their subsidiaries;

(aa) credit institutions affiliated to a central body, the central body and any institution under the control of the central body when at least one of those entities is a resolution entity***.";***

(b) in point (49), 'eligible liabilities' are replaced with 'bail-inable liabilities'***;***

(c) the following point (49a) is inserted:

'(49a) 'eligible liabilities' means bail-inable liabilities that fulfil the conditions of Article 12c or point (a) of Article 12h(3).".

2. In Article 7, point (d) of paragraph (3) is replaced by the following:

'(d) setting the level of minimum requirement for own funds and eligible liabilities, in accordance with Articles 12 to 12k'.

3. Article 8 is amended as follows:

(a) paragraph 5 is replaced by the following:

'5. The resolution plan shall set out options for applying the resolution tools and exercising resolution powers referred to in this Regulation to the entities referred to in paragraph 1.'.

(b) The first and second subparagraphs of paragraph (6) are replaced by the following:

'The resolution plan shall provide for the resolution actions which the Board may take where an entity referred to in paragraph 1 meets the conditions for resolution.

The information referred to in point (a) of paragraph 9 shall be disclosed to the entity concerned.'.

(c) point (p) of paragraph(9) is replaced by the following:

'(p) the minimum requirement for own funds and subordinated instruments pursuant to Article 12c, and a deadline to reach that level, where applicable;';

(d) paragraph (10) is replaced by the following:

'10 Group resolution plans shall include a plan for the resolution of the group referred to in paragraph 1, headed by the Union parent undertaking established in a participating Member State and shall identify measures for the resolution of:

(a) the Union parent undertaking;

(b) the subsidiaries that are part of the group and that are established in the Union;

(c) the entities referred to in Article 2(b); and

(d) subject to Article 33, the subsidiaries that are part of the group and that are established outside the Union.

In accordance with the measures referred to in the first subparagraph, the resolution plan shall identify the following for each group:

(a) the resolution entities;

(b) the resolution groups.';

(e) points (a) and (b) of paragraph (11) are replaced by the following:

"(a) set out the resolution actions foreseen to be taken in relation to a resolution entity in the scenarios provided for in paragraph 6 and the implications of such actions in respect of other group entities, the parent undertaking and subsidiary institutions referred to in paragraph 1;

(a1) where a group referred to in paragraph 1 comprises more than one resolution group, set out resolution actions foreseen in relation to the resolution entities of each resolution group and the implications of such actions on both of the following:

(i) other group entities that belong to the same resolution group;

(ii) other resolution groups;

(b) examine the extent to which the resolution tools and powers could be applied to resolution entities established in the Union and exercised in a coordinated manner, including measures to facilitate the purchase by a third party of the group as a whole, or separate business lines or activities that are delivered by a number of group entities, or particular group entities or resolution groups, and identify any potential impediments to a coordinated resolution;".

4. Article 10 is amended as follows:

(a) paragraph (4) is replaced by the following:

'4. A group shall be deemed to be resolvable if it is feasible and credible for the Board to either liquidate group entities under normal insolvency proceedings or to resolve them by applying resolution tools and exercising resolution powers in relation to resolution entities while avoiding, to the maximum extent possible, any significant adverse consequences for financial systems, including

circumstances of broader financial instability or system wide events, of the Member States in which group entities are established, or other Member States or the Union and with a view to ensuring the continuity of critical functions carried out by those group entities, where they can be easily separated in a timely manner or by other means.

The Board shall notify EBA in a timely manner where a group is deemed not to be resolvable.

Where a group is composed of more than one resolution group, the Board shall assess the resolvability of each resolution group in accordance with this Article.

The assessment referred to in the first subparagraph shall be performed in addition to the assessment of the resolvability of the entire group'.

(b) The following subparagraph is added to paragraph (7):

'Where the impediment to resolvability of the entity or group is due to a situation referred to in Article 141a(2) of Directive 2013/36/EU, the Board shall notify its assessment of that impediment to the Union parent undertaking.'

(c) The following subparagraph is added to paragraph (9):

'Where an impediment to resolvability is due to a situation referred to in Article 141a(2) of Directive 2013/36/EU, the Union parent undertaking shall propose to the Board possible measures to address or remove the impediment identified in accordance with the first subparagraph within two weeks of the date of receipt of a notification made in accordance with paragraph 7. '

(d) In points (i) and (j) of paragraph (11), 'Article 12' is replaced by 'Articles 12g and Article 12h'.

(e) in paragraph (11) the following points are added:

'(k) require an entity to submit a plan to restore compliance with Articles 12g and 12h, and the requirement referred to in Article 128(6) of Directive 2013/36/EU;

(l) require an entity to change the maturity profile of items referred to in Article 12c and points (a) and (b) of Article 12h(3) to ensure continuous compliance with Article 12g and Article 12h.'

5. Article 12 of Regulation (EU) No 806/2014 is replaced by the following Articles:

"Article 12

Determination of the minimum requirement for own funds and eligible liabilities

1. The Board shall, after consulting competent authorities, including the ECB, determine the minimum requirement for own funds and eligible liabilities as referred to in Articles 12a to 12i, subject to write-down and conversion powers, which the entities and groups referred to in Article 7(2), and the entities and groups referred to in Article 7(4)(b) and (5) when the conditions for the application of these paragraphs are met, are required to meet at all times.

2. When drafting resolution plans in accordance with Article 9, national resolution authorities shall, after consulting competent authorities, determine the minimum

requirement for own funds and eligible liabilities, as referred to in Articles 12a to 12i, subject to write-down and conversion powers, which the entities referred to in Article 7(3) are required to meet at all times. In that regard the procedure established in Article 31 shall apply.

3. The Board shall take any determination referred to in paragraph 1, in parallel with the development and maintenance of the resolution plans pursuant to Article 8.

4. The Board shall address its determination to the national resolution authorities. The national resolution authorities shall implement the instructions of the Board in accordance with Article 29. The Board shall require that the national resolution authorities verify and ensure that institutions and parent undertakings maintain the minimum requirement for own funds and eligible liabilities laid down in paragraph 1 of this Article.

5. The Board shall inform the ECB and EBA of the minimum requirement for own funds and eligible liabilities that it has determined for each institution and parent undertaking under paragraph 1.

6. In order to ensure effective and consistent application of this Article, the Board shall issue guidelines and address instructions to national resolution authorities relating to specific entities or groups.

Article 12a

Application and calculation of the minimum requirement for own funds and eligible liabilities

1. The Board and national resolution authorities shall ensure that entities referred to in Article 12(1) and 12(2) meet, at all times, a minimum requirement for own funds and eligible liabilities in accordance with Article 12a to 12i.

2. This requirement referred to in paragraph 1 shall be calculated in accordance with, Article 12d(3) or (4) as applicable, as the amount of own funds and eligible liabilities and expressed as a percentage of:

   (a) the total risk exposure amount of the relevant entity referred to in paragraph 1 calculated in accordance with Article 92(3) of Regulation (EU) No 575/2013; and

   (b) the leverage ratio exposure measure of the relevant entity referred to in paragraph 1 calculated in accordance with Article 429(3) of Regulation (EU) No 575/2013.

2a. Institutions and entities referred to in Article 12(1) and (2) may meet any part of the requirement referred to in paragraph 1 of this Article with Common Equity Tier 1, Additional Tier 1 or Tier 2 instruments.

Article 12b

Exemption from the minimum requirement for own funds and eligible liabilities

1. Notwithstanding Article 12a, the Board shall exempt from the requirement referred to in article 12a(1) mortgage credit institutions financed by covered bonds which, according to national law are not allowed to receive deposits where all of the following conditions are met:

   (a) those institutions will be wound-up through national insolvency procedures, or other types of procedure implemented in accordance with

Article 38, 40 or 42 of Directive 2014/59/EU laid down, provided for those institutions; and

(b) such national insolvency procedures, or other types of procedure, will ensure that creditors of those institutions, including holders of covered bonds where relevant, will bear losses in a way that meets the resolution objectives.

2. Institutions exempted from the requirement laid down in Article 12(1) shall not be part of the consolidation referred to in Article 12g(1).

Article 12c

Eligible liabilities for resolution entities

1. Eligible liabilities shall be included in the amount of own funds and eligible liabilities of resolution entities only where they satisfy the conditions referred to in ***the following Articles*** of Regulation (EU) No 575/2013:

(a) Article 72a;

(b) Article 72b, with the exception of point (d) of paragraph 2;

(c) Article 72c.

1a. By way of derogation from paragraph 1, liabilities issued before [date of entry into force of this amending Regulation] that do not meet the conditions set out in points (g) to (o) of Article 72b(2) of Regulation (EU) No 575/2013 may be included in the amount of own funds and eligible liabilities of resolution entities included in MREL.

2. By way of derogation from point (l) of Article 72a(2) of Regulation (EU) No 575/2013, liabilities that arise from debt instruments with derivative features, such as structured notes, shall be included in the amount of own funds and eligible liabilities only where all of the following conditions are met:

(a) a given amount of the liability arising from the debt instrument is known in advance at the time of issuance, is fixed and not affected by a derivative feature;

(b) the debt instrument, including its derivative feature, is not subject to any netting agreement and its valuation is not subject to Article 49(3);

(ba) the entity has demonstrated to the satisfaction of the Board that the instrument is sufficiently loss absorbing and can be bailed-in without undue complexity, taking into account the principles of prudent valuation laid down in Directive 2014/59/EU and in Regulation (EU) No 575/2013.

The liabilities referred to in the first subparagraph shall only be included in the amount of own funds and eligible liabilities for the part that corresponds with the amount referred to in point (a) of the first subparagraph.

3. The Board, on its own initiative after consulting the national resolution authority or upon proposal by a national resolution authority, ***and after consulting competent***

authorities, shall assess and decide ***whether and to what extent*** the requirement referred to in Article 12g is met by resolution entities with instruments that meet all conditions referred to in Article 72a of Regulation (EU) No 575/2013 with a view to ensure that the resolution entity can be resolved in a manner suitable to meet the resolution objectives.

The Board's decision under this paragraph shall contain the reasons for that decision. ***Such reasons shall be based*** on ▌ the following ▌ :

(a) ***the fact that*** non-subordinated liabilities referred to in the paragraph (1) and (2) have the same priority ranking in the national insolvency hierarchy as certain liabilities excluded from the application of the write-down or conversion powers in accordance with Article 44(2) or Article 44(3) of Directive 2014/59/EU ;

(b) ***the risk that*** as a result of a planned application of write-down and conversion powers to non-subordinated liabilities that are not excluded from the application of the write-down or conversion powers in accordance with Article 44(2) or Article 44(3) of Directive 2014/59/EU, creditors of claims arising from those liabilities incur greater losses than they would incur in a winding up under normal insolvency proceedings**.**

▌

The amount of own funds and eligible liabilities required by a decision under this paragraph to be met with instruments that meet all of the conditions referred to in Article 72a of Regulation (EU) No 575/2013 shall not exceed the higher of:

(a) a risk-based ratio of 18%, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total risk exposure amount calculated in accordance with Article 92(3) and (4) of that Regulation;

(b) a non-risk-based ratio of 6,75%, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total exposure measure referred to in Article 429(4) of that Regulation,

subject to the provisions of Article 72b(3) and (4) of Regulation (EU) No 575/2013 and the transitional provisions specified in Article 494 of that Regulation.

Subject to the third subparagraph, the amount of own funds and eligible liabilities required by a decision under this paragraph shall be sufficient to ensure that creditors referred to in point (b) of the second subparagraph do not incur losses above the level of losses that they would otherwise have incurred in a winding up under normal insolvency proceedings.

Article 12d

Determination of the minimum requirement for own funds and eligible liabilities

1. The requirement referred to in Article 12a(1)of each entity shall be determined by the Board, ***in cooperation with*** the competent authorities, including the ECB, on the basis of the following criteria:

(a) the need to ensure that the resolution entity can be resolved by the application of the resolution tools including, where appropriate, the bail-in tool, in a way that meets the resolution objectives;

(b) the need to ensure, in appropriate cases, that the resolution entity and their subsidiaries that institutions, but not resolution entities have sufficient eligible liabilities to ensure that, if the bail-in tool or write down and conversion powers were to be applied to them, respectively, losses could be absorbed and the capital requirements or, as applicable, the leverage ratio in the form of Common Equity Tier 1 of the relevant entities can be restored to a level necessary to enable them to continue to comply with the conditions for authorisation and to carry on the activities for which they are authorised under Directive 2013/36/EU or Directive 2014/65/EU;

(c) the need to ensure that, if the resolution plan anticipates that certain classes of eligible liabilities might be excluded from bail-in pursuant to Article 27(5) or might be transferred to a recipient in full under a partial transfer, the resolution entity has sufficient other eligible liabilities to ensure that losses could be absorbed and the capital requirements or, as applicable, the leverage ratio in the form of Common Equity Tier 1 of the resolution entity can be restored to a level necessary to enable it to continue to comply with the conditions for authorisation and to carry on the activities for which it is authorised under Directive 2013/36/EU or Directive 2014/65/EU;

(d) the size, the business model, the funding model and the risk profile of the entity;

▌

(f) the extent to which the failure of the relevant entity would have an adverse effect on financial stability, including, due to the interconnectedness of the entity with other institutions or entities or with the rest of the financial system through contagion to other institutions or entities.

The Board shall ensure that the level of the requirement referred to in Article 12a(1) is proportionate to the specificities of the business and funding models of the resolution entity, taking into account:

(i) the prevalence of deposits in the funding structure;

(ii) the lack of experience in issuing debt instruments due to the limited access to cross-border and wholesale capital markets;

(iii) the fact that the institution will rely primarily on CET1 and capital instruments to meet the requirement referred to in Article 12a(1).

2. Where the resolution plan provides that resolution action is to be taken or write-down and conversion powers are to be applied, the requirement referred to in Article 12a(1) shall equal an amount sufficient to ensure that:

(a) the losses that might be expected to be incurred by the entity are fully absorbed ('loss absorption');

(b) the entity or its subsidiaries that are institutions, but not resolution entities are recapitalised to a level necessary to enable them to continue to comply with the conditions for authorisation and carry out the activities for which

they are authorised under Directive 2013/36/EU, Directive 2014/65/EU or equivalent legislation ('recapitalisation');

Where the resolution plan provides that the entity shall be wound up under normal insolvency proceedings, the requirement referred to in Article 12a(1)for that entity shall not exceed an amount sufficient to absorb losses in accordance with point (a) of the first subparagraph.

2a. The Board shall ensure that the loss absorption amount referred to in point (a) of paragraph 2 is not automatically considered to be greater than or equal to the actual level of own funds of the entity.

3. Without prejudice to the last subparagraph ***of this paragraph***, for resolution entities, ***in order to determine*** the amount referred to in paragraph 2***, the Board*** shall ***calculate*** the greater of the following:

(a) the sum of:

(i) the amount of losses that may need to be absorbed in resolution that corresponds to the requirements referred to in Article 92(1)(a),(b) and (c) of Regulation (EU) No 575/2013 and Article 104a of Directive 2013/36/EU of the resolution entity at ***consolidated*** resolution group level,

(ii) a recapitalisation amount that allows the resolution group resulting from resolution to restore ***compliance with*** its total capital ratio ***requirement*** referred in Article 92(1)(c) of Regulation (EU) No 575/2013 and its requirement referred to in Article 104a of Directive 2013/36/EU at ***consolidated*** resolution group ▌ level ***after the implementation of the preferred*** resolution ***action***;

(b) the sum of:

(i) the amount of losses to be absorbed in resolution that corresponds to the resolution entity's leverage ratio requirement referred to in Article 92(1)(d) of Regulation (EU) No 575/2013 at resolution group ***consolidated*** level; and

(ii) a recapitalisation amount that allows the resolution group resulting from resolution to restore ***compliance with*** the leverage ratio ***requirement*** referred to in Article 92(1)(d) of Regulation (EU) No 575/2013 at ***consolidated*** resolution group ▌ level ***after the implementation of the preferred*** resolution ***action***;

For the purposes of points (a)(ii) and (b)(ii) of the first subparagraph, the recapitalisation amount shall also be supplemented by an additional amount that the Board considers necessary to maintain sufficient market confidence after resolution, taking into account the business model, funding model, and risk profile of the resolution entity.

The amount of the buffer provided for in the second subparagraph of this paragraph shall not exceed the amount of the combined buffer requirement referred to in Article 128(6) of Directive 2013/36/EU, except for the requirement referred to in point (a) of that provision, unless a higher level is necessary to ensure that, following the event of resolution, the entity continues to meet the conditions for its authorisation for an appropriate period of time that is not longer than one year.

For the purposes of point (a) of Article 12a(2), the requirement referred to in Article 12a(1) shall be expressed as the amount calculated in accordance with point (a) divided by the total risk exposure amount ('TREA').

For the purposes of point (b) of Article 12a(2) ,the requirement referred to in Article 12a(1) shall be expressed as the amount calculated in accordance with point (b) divided by the leverage ratio exposure measure.

The Board shall set the recapitalisation amounts referred to in the previous subparagraphs in accordance with the resolution actions foreseen in the resolution plan and may adjust those recapitalisation amounts to adequately reflect risks that affect resolvability arising from the resolution group's business model, funding profile and overall risk profile.

3a. Where the Board assesses that an institution, if it were to fail, would be liquidated or otherwise placed under insolvency proceedings, the requirement referred to in Article 12a(1) of this Regulation shall not exceed the requirements referred to in points (a), (b) and (c) of Article 92(1) of Regulation (EU) No 575/2013 and in Article 104a of Directive 2013/36/EU.

4. Without prejudice to the last subparagraph ***of this paragraph***, for entities that are not themselves resolution entities, ***in order to determine*** the amount referred to in paragraph 2, ***the Board shall calculate the greater*** of the following:

(a) the sum of:

(i) the amount of losses to be absorbed in resolution that corresponds to the requirements referred to in Article 92(1)(a),(b) and (c) of Regulation (EU) No 575/2013 and Article 104a of Directive 2013/36/EU of the entity, and

(ii) a recapitalisation amount that allows the entity to restore ***compliance with*** its total capital ratio ***requirement*** referred in Article 92(1)(c) of Regulation (EU) No 575/2013 and its requirement referred to in Article 104a of Directive 2013/36/EU ***after the exercise of the power to write down or convert relevant capital instruments and eligible liabilities in accordance with Article 21;***

(b) the sum of:

(i) the amount of losses to be absorbed in resolution that corresponds to the entity's leverage ratio requirement referred to in Article 92(1)(d) of Regulation (EU) No 575/2013; and

(ii) a recapitalisation amount that allows the entity to restore ***compliance with*** its leverage ratio ***requirement*** referred to in Article 92(1)(d) of Regulation (EU) No 575/2013 ***after the exercise of the power to write down or convert relevant capital instruments and eligible liabilities in accordance with Article 21 of this Regulation.***

For the purposes of points (a)(ii) and (b)(ii) of the first subparagraph, the recapitalisation amount shall also be supplemented by an additional amount that the Board considers necessary to maintain sufficient market confidence after resolution taking into account the entity's business model, funding model, and risk profile.

The amount of the buffer referred to in the second subparagraph of this paragraph shall not exceed the amount of the combined buffer requirement

referred to in Article 128(6) of Directive 2013/36/EU, except for the requirement referred to in point (a) of that provision, unless a higher level is necessary to ensure that, following the event of resolution, the entity continues to meet the conditions for its authorisation for an appropriate period of time that is not longer than one year.

For the purposes of point (a) of Article 12a(2), the requirement referred to in Article 12a(1) shall be expressed in percentage terms as the amount calculated in accordance with point (a) divided by the total risk exposure amount ('TREA').

For the purposes of point (b) of Article 12a(2), the requirement referred to in Article 12a(1) shall be expressed in percentage terms as the amount calculated in accordance with point (b) divided by the leverage ratio exposure measure.

The Board shall set the recapitalisation amounts referred to in this paragraph in accordance with the resolution actions foreseen in the resolution plan and may adjust those recapitalisation amounts to adequately reflect risks that affect the recapitalisation needs arising from the entity's business model, funding profile and overall risk profile.

5. Where the Board expects that certain classes of eligible liabilities might be excluded from bail-in under Article 27(5) or might be transferred to a recipient in full under a partial transfer, the requirement referred to in Article 12a(1) shall not exceed an amount sufficient to:

(a) cover the amount of excluded liabilities identified in accordance with Article 27(5);

(b) ensure that the conditions referred to paragraph 2 are fulfilled.

6. The Board's decision to impose a minimum requirement of own funds and eligible liabilities under this Article shall contain the reasons for that decision, including a full assessment of the elements referred to in paragraphs 2 to 5 ▌.

7. For the purposes of paragraphs 3 and 4, capital requirements shall be interpreted in accordance with the competent authority's application of transitional provisions laid down in Chapters 1, 2 and 4 of Title I of Part Ten of Regulation (EU) No 575/2013 and in the provisions of national legislation exercising the options granted to the competent authorities by that Regulation.

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Article 12e

Determination of the requirement for entities that are G-SIIs

1. The minimum requirement for own funds and eligible liabilities of a resolution entity that is a G-SII or part of a G-SII shall consist of:

(a) ***subject to the provisions of Article 72b(3) and (4), and the transitional provisions specified in Article 494 of Regulation (EU) No 575/2013 the higher of:***

(i) a risk-based ratio of 18%, representing the own funds and eligible liabilities of the institution expressed as a percentage of the

total risk exposure amount calculated in accordance with Article 92(3) and (4) of that Regulation;

(ii) a non-risk-based ratio of 6,75%, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total exposure measure referred to in Article 429(4) of that Regulation; and

(b) any additional requirement for own funds and eligible liabilities determined by the ***Board*** specific to the entity in accordance with paragraph 2, which shall be met with liabilities that meet the conditions of Article 12c.

2. The Board may impose an additional requirement for own funds and eligible liabilities referred to in point (b) of paragraph 1 only :

(a) where the requirement referred to in point (a) of paragraph 1 is not sufficient to fulfil the conditions set out in Article 12d; and

(b) to an extent that the amount of required own funds and eligible liabilities does not exceed a level that is necessary to fulfil the conditions of Article 12d.

3. The decision of the Board to impose an additional requirement of own funds and eligible liabilities under point (b) of paragraph 1 shall contain the reasons for that decision, including a full assessment of the elements referred to in paragraph 2.

Article 12g

Application of the minimum requirement for own funds and eligible liabilities to resolution entities

1. Resolution entities shall comply with the requirements laid down in 12d to Article 12f on a consolidated basis at the level of the resolution group.

2. The requirement referred to in Article 12a(1) of a resolution entity established in a participating Member State at the consolidated resolution group level shall be determined by the Board, after consulting the group-level resolution authority and the consolidating supervisor, on the basis of the requirements laid down in Articles 12d to 12f and of whether the third-country subsidiaries of the group are to be resolved separately according to the resolution plan.

Article 12h

Application of the requirement to entities that are not themselves resolution entities

1. Institutions that are subsidiaries of a resolution entity and are not themselves resolution entities shall comply with the requirements laid down in Articles 12d to 12f on an individual basis.

The Board may, after consulting a competent authorities and the ECB, decide to apply the requirement laid down in this Article to an entity referred to in point (b), (c) or (d) of Article 1(1) of Directive 2014/59/EU that is a subsidiary of a resolution entity and is not itself a resolution entity.

2. The requirement referred to in Article 12a(1) of entities referred to in the first paragraph shall be subject to the following conditions:

(a) the resolution entity complies with the consolidated requirement referred to in Article 12g;

(b) the sum of all requirements to be applied to the resolution group's subsidiaries shall be covered by and not exceed the consolidated requirement referred to in Article 12g unless this is only due to the effects of the consolidation at the level of the resolution group in accordance with Article 12g(1);

(c) it shall fulfil the eligibility criteria provided in paragraph 3;

(d) it ***shall be set at between 75% and 90% of the requirements calculated in accordance with Article 12a(1) and*** shall not exceed the contribution of the subsidiary to the consolidated requirement referred to in 12g(1).

3. The requirement referred to in Article 12a(1) shall be met with one or more of the following:

(a) liabilities that:

(i) are issued to and bought by the resolution entity ***either directly, or indirectly through other entities in the same resolution group that bought the liabilities from the entity subject to this Article, or by an existing shareholder that is not part of the same resolution group, so long as the exercise of the power of write down or conversion provided for in Article 21 does not affect the control of the subsidiary by the resolution entity***;

(ii) fulfil the eligibility criteria referred to in Article 72a, except for point (b) of Article 72b(2) of Regulation (EU) No 575/2013;

(iii) are ranking in normal insolvency proceedings below liabilities other than those eligible for own funds requirements that are issued to and bought by other entities than the resolution entity;

(iv) are subject to the power of write down or conversion in accordance with Articles 21 that is consistent with the resolution strategy of the resolution group, notably by not affecting the control of the subsidiary by the resolution entity.

(b) eligible own funds instruments issued to and bought by other entities than the resolution entity when the exercise of the power of write down or conversion in accordance with Article 21 does not affect the control of the subsidiary by the resolution entity.

3a. By way of derogation from point (a)(ii) of paragraph 3 of this Article, liabilities issued before ... [date of entry into force of this amending Regulation] which do not meet the conditions set out in points (g) to (o) of Article 72b(2) of Regulation (EU) No 575/2013 may be included in the amount of own funds and eligible liabilities.

3b . The Board, in its role as resolution authority of an entity of the resolution group that is not a resolution entity, shall consider, and thereafter may partially or fully waive, the application of paragraphs 1 to 5 to that entity where all of the following conditions are met:

(a) the resolution entity of the resolution group is the central body of a network or a cooperative group;

(b) the entity is a credit institution permanently affiliated to that central body;

(c) the members of the network are subject to a legally-based internal solidarity mechanism.

Article 12i

Waiver of the minimum requirement for own funds and eligible liabilities applied to entities that are not themselves resolution entities

The Board may fully waive the application of Article 12h for a subsidiary of a resolution entity established in a participating Member State where:

(a) both the subsidiary and the resolution entity are ***located in participating*** Member State***s***;

(b) the resolution entity complies with the requirement referred to in Article 12g;

(c) there is no current or foreseen material, practical or legal impediment to the prompt transfer of own funds or repayment of liabilities by the resolution entity to the subsidiary in respect of which a determination has been made in accordance with Article 21(3), in particular when resolution action is taken in respect of the resolution entity.

Article 12j

Breaches of the requirement

1. Any breach of the minimum requirement for own funds and eligible liabilities by an entity shall be addressed by the Board and other relevant authorities through at least one of the following means:

(a) powers to address or remove impediments to resolvability in accordance with Article 10;

(b) measures referred to in Article 104 of Directive 2013/36/EC;

(c) early intervention measures in accordance with Article 13;

(d) administrative penalties and other administrative measures in accordance with Article 110 and Article 111 of Directive 2014/59/EU".

1a. The Board and the other resolution authorities shall monitor on a quarterly basis the fulfilment of the minimum requirement for own funds and eligible liabilities and shall inform the competent authority of any breaches or other relevant events that could affect the fulfilment of the requirement.

2. The Board, resolution authorities and competent authorities of participating Member States shall consult each other when they exercise their respective powers referred to in points (a) to (d) of paragraph 1."

2a. By way of derogation from Article 141a(1) of Directive 2013/36/EU, an institution shall not be considered as failing to meet the combined buffer requirement for the purposes of Article 141 of that Directive where it meets the conditions in points (a) and (b) of Article 141a(2) of that Directive, where the failure to meet that requirement concerns only the minimum requirement for own funds and eligible liabilities as specified in Articles 12d and 12e of this Regulation, and where the failure to meet that requirement does not last longer than 12 months.

Article 12ja
Transitional and post-resolution arrangements

By way of derogation from Article 12(1), the Board shall determine an appropriate transitional period for an institution or entity referred to in points (b) and (c) of Article 2 to comply with the requirements in Articles 12g, 12h, or 12i, or with a requirement arising as a result of the application of Article 12c(3), as appropriate. The deadline for compliance with the requirements in Articles 12g or 12h or with a requirement arising as a result of the application of Article 12c(3) shall be 1 January 2024.

The Board shall determine an intermediate target level for the requirements in Articles 12g, 12h, or 12i, or for a requirement arising as a result of the application of Article 12c(3), as appropriate. An institution or entity referred to in points (b) and (c) of Article 2 shall comply with that intermediate target level at 1 January 2022. The intermediate target level shall ensure a linear build-up of eligible liabilities and own funds towards compliance with that requirement.

6. Article 16 is amended as follows:

(a) paragraph (2) is replaced by the following:

'2.The Board shall take a resolution action in relation to a parent undertaking referred to in point (b) of Article 2 where the conditions laid down in Article 18(1) are met.';

(b) paragraph (3) is replaced with the following:

'3. Notwithstanding the fact that a parent undertaking does not meet the conditions established in Article 18(1), the Board may decide on resolution action with regard to that parent undertaking when it is a resolution entity and when one or more of its subsidiaries which are institutions and not resolution entities meet the conditions established in Article 18(1) and their assets and liabilities are such that their failure threatens an institution or the group as a whole and resolution action with regard to that parent undertaking is necessary for the resolution of such subsidiaries which are institutions or for the resolution of the group as a whole.'.

7. 'Relevant capital instruments' in point (b) of Article 18(1) is replaced by 'relevant capital instruments and eligible liabilities'.

8. Point (c) of Article 20(5) is replaced by the following:

'(c) when the power to write down or convert relevant capital instruments and eligible liabilities in accordance with Article 21(7) is applied, to inform the decision

on the extent of the cancellation or dilution of instruments of ownership, and the extent of the write-down or conversion of relevant capital instruments and eligible liabilities;'.

9. Article 21 is amended as follows:

(a) the title is replaced by the following:

'Write-down and conversion of capital instruments and eligible liabilities'

(b) 'capital instruments' in the first sentence of paragraph (1) is replaced by 'capital instruments and eligible liabilities'

(c) 'capital instruments' in point (b) of paragraph (1) is replaced by 'capital instruments and eligible liabilities';

(d) 'capital instruments' in point (b) of paragraph (3) is replaced by 'capital instruments and eligible liabilities';

(e) 'capital instruments' in the second subparagraph of paragraph (8) is replaced by 'capital instruments and eligible liabilities';

(f) paragraph (7) is replaced by the following:

'7. If one or more of the conditions referred to in paragraph 1 are met, the Board, acting under the procedure laid down in Article 18, shall determine whether the powers to write down or convert relevant capital instruments and eligible liabilities are to be exercised independently or, in accordance with the procedure under Article 18, in combination with a resolution action.

The power to write down or convert eligible liabilities independently of resolution action may be exercised only in relation to eligible liabilities that meet the conditions referred to in point (a) of Article 12(3), except the condition related to the remaining maturity of liabilities.'.

(g) the following point is added in paragraph (10):

'(d) the principal amount of eligible liabilities referred to in paragraph 7 is written down or converted into Common Equity Tier 1 instruments or both, to the extent required to achieve the resolution objectives set out in Article 14 or to the extent of the capacity of the relevant eligible liabilities, whichever is lower.'.

9a. In Article 27, paragraph 3a is inserted :

'3a. Member States shall prohibit the institutions or entities referred to in points (b), (c) or (d) of Article 1(1) from making any suggestion, communication or representation that a liability other than those listed in points (a) to (g) of paragraph 2 of this Article would not be subject to write-down or conversion powers. Any breach of such prohibition shall be subject to penalties in accordance with Chapter VI.'

9b. In Article 38(2), the following point (ca) is added:

'(ca) where they make a suggestion, communication or representation that a liability other than those listed in points (a) to (g) of Article 27(3) would not be subject to write-down or conversion powers, infringing paragraph 3a of that Article.'

Article 6
Entry into force

1. This amending Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

2. This Regulation shall apply within 18 months from the date of its entry into force.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament	For the Council
The President	The President

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Loss-absorbing and Recapitalisation Capacity for credit institutions and investment firms			
References	COM(2016)0851 – C8-0478/2016 – 2016/0361(COD)			
Date submitted to Parliament	23.11.2016			
Committee responsible Date announced in plenary	ECON 1.2.2017			
Committees asked for opinions Date announced in plenary	JURI 1.2.2017	AFCO 1.2.2017		
Not delivering opinions Date of decision	JURI 25.1.2017	AFCO 30.1.2017		
Rapporteurs Date appointed	Gunnar Hökmark 24.11.2016			
Discussed in committee	28.2.2017	25.4.2017	3.5.2017	11.12.2017
	22.2.2018			
Date adopted	19.6.2018			
Result of final vote	+: –: 0:	38 8 11		
Members present for the final vote	Gerolf Annemans, Burkhard Balz, Hugues Bayet, Pervenche Berès, David Coburn, Thierry Cornillet, Esther de Lange, Markus Ferber, Jonás Fernández, Sven Giegold, Neena Gill, Roberto Gualtieri, Brian Hayes, Gunnar Hökmark, Cătălin Sorin Ivan, Barbara Kappel, Wolf Klinz, Georgios Kyrtsos, Philippe Lamberts, Werner Langen, Olle Ludvigsson, Ivana Maletić, Fulvio Martusciello, Marisa Matias, Gabriel Mato, Alex Mayer, Bernard Monot, Caroline Nagtegaal, Luděk Niedermayer, Stanisław Ożóg, Sirpa Pietikäinen, Anne Sander, Alfred Sant, Martin Schirdewan, Pedro Silva Pereira, Peter Simon, Theodor Dumitru Stolojan, Kay Swinburne, Paul Tang, Ramon Tremosa i Balcells, Ernest Urtasun, Marco Valli, Miguel Viegas, Jakob von Weizsäcker, Marco Zanni			
Substitutes present for the final vote	Andrea Cozzolino, Ashley Fox, Doru-Claudian Frunzulică, Syed Kamall, Alain Lamassoure, Thomas Mann, Luigi Morgano, Michel Reimon, Joachim Starbatty			
Substitutes under Rule 200(2) present for the final vote	Christofer Fjellner, Petr Ježek, Wolf Klinz, Agnieszka Kozłowska-Rajewicz			
Date tabled	25.6.2018			

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

38	+
ALDE	Thierry Cornillet, Petr Ježek, Wolf Klinz, Ramon Tremosa i Balcells
ENF	Barbara Kappel
PPE	Burkhard Balz, Markus Ferber, Christofer Fjellner, Brian Hayes, Gunnar Hökmark, Agnieszka Kozłowska-Rajewicz, Georgios Kyrtsos, Alain Lamassoure, Esther de Lange, Werner Langen, Ivana Maletić, Thomas Mann, Fulvio Martusciello, Gabriel Mato, Luděk Niedermayer, Sirpa Pietikäinen, Anne Sander, Theodor Dumitru Stolojan
S&D	Pervenche Berès, Andrea Cozzolino, Jonás Fernández, Doru-Claudian Frunzulică, Neena Gill, Roberto Gualtieri, Cătălin Sorin Ivan, Olle Ludvigsson, Alex Mayer, Luigi Morgano, Alfred Sant, Pedro Silva Pereira, Peter Simon, Paul Tang, Jakob von Weizsäcker

8	-
EFDD	David Coburn, Bernard Monot, Marco Valli
ENF	Gerolf Annemans, Marco Zanni
GUE/NGL	Marisa Matias, Martin Schirdewan, Miguel Viegas

11	0
ALDE	Caroline Nagtegaal
ECR	Ashley Fox, Syed Kamall, Stanisław Ożóg, Joachim Starbatty, Kay Swinburne
S&D	Hugues Bayet
VERTS/ALE	Sven Giegold, Philippe Lamberts, Michel Reimon, Ernest Urtasun

Key to symbols:
+ : in favour
- : against
0 : abstention