

Sylvie Goulard believes parliamentary scrutiny has an important part to play in economic governance

The crisis has confirmed the need for greater discipline regarding public finances. It has also shown the negative consequences of macro economic imbalances. We need a credible procedure to be put in place to ensure the viability of the euro, including sanctions.

Until now the council and the commission have not always exerted the mutual surveillance which was expected and required of them. Therefore the reform drafted by the commission goes in the right direction; improved discipline, increased controls of macroeconomic imbalances and harmonising budgetary frameworks. Many questions are raised, such as the degree of automaticity of the sanctions, which indicators for macroeconomic imbalances and how far can we go with harmonising national budgetary frameworks?

With the Lisbon treaty, parliament is now co-legislator in this area and is on an equal footing to the council. The new procedure will enable the first public debate on this

issue, which is already a significant step forward. The six rapporteurs in parliament are working closely together to improve the proposed reform. Their aim is to strengthen the role of the parliament in the procedure for three main reasons. First, it would enable a public debate on very sensitive issues, as opposed to the current in camera discussions in council. Second, the parliament is the only place where a debate can take place which surpasses member state's borders and linguistic barriers. Third, the parliament is an assembly where, for each country, both the majority and the opposition are represented. This enables better ownership in the member states concerned.

The parliament's priority is effective legislation. The question being asked is not simply more or less sanctions, it is that of the emergence of democratic governance of the euro. ★

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Sylvie Goulard is a member of parliament's economic and monetary affairs committee

EU legislation on the derivatives market is strengthening market integrity and transparency, writes Werner Langen

With its proposal for a regulation concerning over the counter (OTC) derivatives, central counterparties and transaction registers, the commission has satisfied the request of the G20 regarding the attempt to achieve more transparency in the derivatives market, to reduce counterparty failure and operational risks, and strengthen market integrity and supervision. The regulation has comprehensively adopted the parliament resolution, derivatives markets – future political measures, and taken account of its measures.

The clearing of standardised derivatives, the setting up of transaction registers and central counterparties (CCPs) supervisory standards form the core of the draft regulation but must be coordinated with third party states to achieve a global approach to regulation of the OTC derivatives market.

The following measures should contribute to reducing the systemic risk: binding clearance for qualified OTC derivatives through central counter parties (CCPs), elaboration of legally binding, technical, regulation standards for the approval and supervision of CCPs and transaction registers and criteria for

determining qualification for the clearing obligation, specific criteria for the bilateral clearing of transactions in OTC derivatives, obliging market participants to notify all necessary information on their OTC derivative portfolios to a transaction register or - if this were not possible - direct to regulation points, and prescribing binding disclosure of information on overall positions.

The number of legal instruments to be delegated to the commission is a special feature of the draft regulation. This is already partially justified since these are technical regulation standards which were proposed by ESMA, and which have been borne up by subsequent assessments. We must record the fact that the draft regulation is only equivalent to framework legislation since the actual guidelines and technical criteria cannot yet be a component part of the current legislative proposal.

There must be ongoing discussions on this matter and we must ensure that the parliament is constantly informed by the commission of further findings, and reviews progress on the delegated legal instruments. ★

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Werner Langen is a member of parliament's economic and monetary affairs committee