Press release | 29.11.2012

EU banking supervision legislation

MEPs move swiftly to shore up European banking system

The European Parliament's economic and monetary affairs committee today voted on two new EU legislative proposals providing for a supervisory system for European banks. Following the vote, Green finance spokesperson **Sven Giegold**, who is draftsperson/rapporteur for the EP on the European Banking Authority supervision file, stated:

"Today's vote moves us closer to the urgently-needed European Banking Union and proper EU-wide banking supervision, which the Greens have long argued for. Light-touch supervision and oversight has enabled financial institutions to engage in risky activities, the wider, devastating economic consequences of which we have been struggling to deal with since 2008. A clear majority of MEPs has today voted to improve this draft legislation, ensuring it can provide a sound basis for EU banking supervision and responds to the urgent need to address the fragmentation in the European banking system.

"Today's vote strengthens democratic accountability under the proposed system. The European Parliament will get a greater scrutiny role, with provisions for far reaching parliamentary investigations. There are also provisions for greater accountability to national parliaments.

"MEPs have also voted to ensure the diversity of the banking system is better reflected in the proposed supervisory system. This will ensure the viability of different banking models - like credit unions, cooperative or savings banks - is guaranteed, whilst ensuring proper supervision of financial institutions posing system risk or in receipt of financial assistance. This diversity, which has played a crucial role in stabilising the banking system during the crisis, must be guaranteed.

"A major improvement under today's vote is to strengthen the role of the European Banking Authority under the proposed common supervision system, with the EBA empowered to take binding decisions. There will also be a strengthened role with regard to carrying out stress tests, data collection and investigations but unfortunately there will still be no power to directly control financial institutions. These new provisions are nonetheless important steps to strengthen the stability of Europe's banking system.

"The Greens wanted to ensure that EU member states outside the Eurozone, which want to take part in the proposed supervision system, have their interests reflected in the decision-making but unfortunately this goal has not been fully realised. 'Opt-in countries' will sit on the supervisory board, which prepares decisions on common supervision, however the governing board of the European Central Bank will have final say under an 'object and explain' mechanism.

"In spite of the political sensitivity and technical complexity of this legislation, the European Parliament has moved swiftly to reflect the urgent need to shore up the European banking system. MEPs are ready to enter into legislative negotiations and the ball is now in the court of EU governments in Council, with a view to ensuring this legislation can be finalised as soon as possible."

Click for detailed overview of provisions.

Recommended

Press release

Jan van der Wolf



Social Package step in the right direction but more am…

06.05.2026

Event



REMADE IN EUROPE

05.05.2026

Press release

homa-appliances_unsplash.com



[We need an industrial booster for European industry, c…]

04.03.2026

Event



EU TECH STARS SUMMIT

05.02.2026

Responsible MEPs



Sven Giegold

Member

Please share

- E-Mail