Box 4. NBR involvement in the preparation and exercise of the rotating Presidency of the EU Council

In the preparatory phase of the Romanian Presidency of the EU Council, 17 legislative files were identified in the field of financial and banking services, which were likely to remain on the negotiations agenda also during Romania's mandate. Against this background, a series of legislative proposals falling under the central bank's scope of activity were discussed in 2018 both in the EU Council and in the trilogue meetings with the European Parliament and the European Commission. The Presidency's priorities targeted the further strengthening of the Economic and Monetary Union and of the Banking Union by reaching an acceptable consensus for both euro area and non-euro area Member States. Moreover, the Presidency set out to continue work on the development of the Capital Markets Union.

Following consultations with the Ministry of Public Finance and the Financial Supervisory Authority, the NBR Board agreed in August 2018 to the technical involvement of the central bank, as a coordinating institution at national level, in a number of legislative files, whose substance is related to the banking field. As a result, the NBR contributed by having more than 50 experts involved in the negotiation of European draft regulations under 12 files, specifically:

- the package of risk reduction measures[1] (RRM);
- the review of the regulatory framework for the European System of Financial Supervision[2] (ESFS review);
- non-performing loans[3] (NPL);
- covered bonds[4];
- cross-border payments[5];
- European Deposit Insurance Scheme (EDIS).

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1 The proposals amend the following legislative acts: The Capital Requirements Regulation (CRR) – Regulation (EU) No 575/2013, The Capital Requirements Directive (CRD) – Directive 2013/36/EU on the recovery and resolution of credit institutions and investment firms – Directive 2014/59/EU and The Single Resolution Mechanism Regulation (SRMR) – Regulation (EU) No 806/2014.

2 Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority), Regulation (EU) No 1094/2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority), Regulation (EU) No 345/2013 on European venture capital funds, Regulation (EU) No 346/2013 on European social entrepreneurship funds, Regulation (EU) No 600/2014 on markets in financial instruments, Regulation (EU) 2015/760 on European long-term investment funds, Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1092/2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board.

3 Proposal for a Directive of the European Parliament and of the Council on credit servicers, credit purchasers and the recovery of collateral, and Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards minimum loss coverage for non-performing exposures.

4 Proposal for a Directive of the European Parliament and of the Council on the issue of covered bonds and covered bond public supervision and amending Directive 2009/65/EC and Directive 2014/59/EU and Proposal for a Regulation of the European Parliament and of the Council on amending Regulation (EU) No 575/2013 as regards exposures in the form of covered bonds.

5 Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 924/2009 as regards certain charges on cross-border payments in the Union and currency conversion charges.

Moreover, as regards some legislative files under the technical coordination of other institutions, i.e. the Financial Supervisory Authority, the Ministry of Public Finance or some entity at governmental level, the NBR Board approved the central bank's involvement via experts providing technical support on issues included in legislative proposals within the NBR's competence. These legislative files refer to:

- the recovery and resolution of central counterparties (CCPs);
- the revision of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR Refit);
- the revision of the regulatory framework for investment firms[6] (IFS);
- the supervision of central counterparties[7] (EMIR CCP Supervision);
- crowdfunding[8];
- sustainable financing[9].

In the course of 2018, during the preparations of the EU Council Presidency, the NBR, together with the Financial Supervisory Authority, the Ministry of Public Finance, and other governmental authorities, prepared and submitted its opinions for the sessions of the working groups where the above-mentioned proposals were discussed. In November-December 2018, in order to prepare for and familiarise with the European procedures, NBR representatives were invited as observers to participate, during the Austrian Presidency of the EU Council, in the preparatory meetings of the working groups and trilogue sessions[10] (including technical trilogue), which covered the various legislative files (shadow presidency).

Starting 1 January 2019, after taking over the Presidency of the EU Council, and at the request of the Permanent Representation of Romania to the EU, the NBR actively participated, at technical level, in the negotiations held in the EU Council and in the trilogue stage, regarding the legislative files in the financial services field that regulate issues within the central bank's field of competence. From this perspective, the NBR provided full technical support to the team in charge of the

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6 Proposal of a Directive of the European Parliament and of the Council on the prudential supervision of investment firms and amending Directives 2013/36/EU and 2014/65/EU and Proposal for a Regulation of the European Parliament and of the Council on the prudential requirements of investment firms and amending Regulations (EU) No 575/2013, (EU) No 600/2014 and (EU) No 1093/2010,

7 Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority) and amending Regulation (EU) No 648/2012 as regards the procedures and authorities involved for the authorisation of CCPs and requirements for the recognition of third-country CCPs.

8 Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/65/EU on markets in financial instruments and Proposal for a Regulation of the European Parliament and of the Council on European Crowdfunding Service Providers (ECSP) for Business.

9 Proposal for a Regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2016/1011 on low carbon benchmarks and positive carbon impact benchmarks and Proposal for a Regulation of the European Parliament and of the Council on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341.

10 Inter-institutional cooperation in the context of the co-decision procedure between European legislators often materialises in tripartite meetings (the EU Council, the European Parliament and the European Commission), where the final form of EU regulations is approved. These fall into political trilogue meetings, where the provisions of regulations are broadly agreed upon, and technical trilogue meetings, where texts are discussed in detail in order to be properly calibrated so as to reflect talks at political level.

respective legislative files, which was led by financial attachés of the Permanent Representation, given the 'Brussels-based' specificity of our Presidency.

In 2019 Q1, due to the active involvement of the NBR representatives, the Presidency succeeded in closing, at both political and technical levels (the conclusion of negotiations in the trilogue between the EU Council, the European Parliament and the European Commission), a series of important legislative files for the strengthening of the financial system EU-wide, which the Presidency had included among its priorities in the field of financial services at the onset of its mandate, specifically: (i) the package of risk reduction measures, (ii) the revision of the regulatory framework for the European System of Financial Supervision, (iii) covered bonds, (iv) cross-border payments[11], (v) the revision of the regulatory framework for investment firms, (vi) the supervision of central counterparties, and (vii) sustainable financing (a component covering benchmark indices and transparency). As regards the legislative files referred to in points (ii) and (v), the Presidency was responsible also for negotiating the EU Council's position, along with negotiating and finalising discussions in the trilogue meetings. Concerning the other legislative files, the Presidency carried out the negotiations and concluded the discussions in the trilogue meetings.

Moreover, the Presidency, with the support of the NBR technical team, managed to obtain a general agreement at EU Council level on the secondary market component referred to in the Directive on credit servicers, credit purchasers and the recovery of collateral, which is part of the non-performing loans package.

In the period from early 2018 to April 2019, more than 50 NBR experts participated in over 100 different meetings dedicated to the negotiation of the above-mentioned legislative files. Of the over 100 meetings, 59 took place exclusively during the term of the Presidency, more precisely from January to April 2019.

Furthermore, according to the information provided by the General Secretariat of the EU Council, from 1 January to 30 April 2019, the Presidency made the most substantial progress in terms of legislative files concluded between European co-legislators in the economic and financial field[12], specifically 21 files out of a total of 79 files concluded), compared to the other policy areas[13].

Considering the National Bank of Romania's reputation and given that during the EU Council presidencies informal meetings are usually held in buildings with profound historical or cultural significance, at the request of the Ministry of Foreign Affairs, the Ministry of Public Finance and of other institutions at national level, the NBR hosted at its headquarters a series of events occasioned by the Presidency, offering its support within the limits of its competences. In this context, during the

[11] The Proposal for a Regulation became Regulation (EU) 2019/518 of the European Parliament and the Council of the European Union of 19 March 2019 amending Regulation (EC) No 924/2009 as regards certain charges on cross-border payments in the Union and currency conversion charges, published in the Official Journal of the EU L 91 of 29 March 2019.

[12] Including financial and banking services

[13] https://www.consilium.europa.eu/en/infographics/progress-made-on-eu-legislation-under-the-romanian-presidency-12-weeks/

informal ECOFIN meeting of 5-6 April 2019, the NBR organised a working lunch for governors, and also for delegates from the central banks of the EU Member States and from the European Central Bank.

In addition, the NBR hosted in whole or in part a series of events:

No.	Date	Event name
1	7 December 2018	Informal Meeting of State Secretaries and Secretaries General from the Ministries of Foreign Affairs of the EU Member States
2	10 January 2019	Working dinner for foreign journalists occasioned by the Romanian Presidency of the EU Council
3	21 January 2019	Informal Meeting of Directors General for European Affairs of the EU Member States
4	31 January – 1 February 2019	Informal Meeting of Foreign Affairs Ministers of the EU Member States (GYMNICH)
5	12 March 2019	Informal Meeting of Ministers for European Affairs of the EU Member States
6	15 March 2019	RELEX Informal Meeting
7	19 March 2019	SME Envoys Network Meeting
8	1 April 2019	Informal Meeting of Financial Attachés of the Member States' Permanent Representations to the EU
9	4 April 2019	Meeting of the Bologna Follow-up Group (BFUG) and General Assembly of the European Quality Assurance Register for Higher Education (EQAR)
10	9 April 2019	Informal Meeting CONOP (nonproliferation) - OSCE
11	15 May 2019	ASEM Education Ministers' Meeting
12	16 May 2019	Informal Meeting of the Directors General for Consular Affairs of the Ministries of Foreign Affairs of the EU Member States
13	17 May 2019	Meeting of Agents to the Court of Justice of the European Union
14	4 June 2019	Promotion event of the SESAR programme
15	6 June 2019	Meeting of the Directors General for Higher Education