

# Projev

## Speech

### Discours

V Praze 12. 6. 2009

## **Conference Towards a new financial regulatory framework, Prague, Klára Hájková, Deputy Finance Minister**

Ladies and Gentlemen,

It is a great pleasure to welcome you at our financial services conference. I am glad that distinguished Commission, Member States and industry representatives have kindly accepted our invitation to this event. It is wonderful to see all of you who have been working as well as fighting with us for the last six months gathered in one room.

The conference is going to mark an end of our mandate - providing us with the opportunity to digest and realise all that we have perpetrated and also think a bit about the future before we hand over the "presidency file" to our Swedish friends.

The Czech Republic took over the presidency of the EU at a time of the transformation of the crisis from a financial market event to a global economic recession. This meant enormous pressure and responsibility.

The turbulence seems to have subsided as the number of measures aiming at stabilising the financial markets are gradually taking effects. On the other hand, measures designed to tackle the root causes of the financial crisis are still being developed.

Such measures, trying to address the main problems of the financial markets, have been the main focus of our presidency agenda. The revised capital adequacy framework for

banks and the new regulation on credit rating agencies are probably the most visible ones. But we are obviously nowhere near the end of the process.

The de Larosière report gave us further direction of travel, identifying a great number of steps to be taken in response to the crisis. The most politically sensitive area is the reform of the EU supervisory framework.

It is an area where we have witnessed the most recent and probably most serious breakthrough. I am glad to report that, after many years of little movement, an agreement on extremely important issues related to the future of EU supervision was found at the last ECOFIN.

Who, apart from Mr. de Larosière and, perhaps a few dedicated Commission officials, would have dreamt just a year ago that it was possible to reach Council unanimity on transforming the Level 3 committees into legal entities with powers to issue binding rules?

I know that many of you wish to go further and we may see more developments at the upcoming European Council. But I believe that with the strong overall support given to the basic pillars of the supervisory reform, the Commission already has a solid mandate for its future work.

Also, as we and others have been repeating for years, we must not forget about all the other problems that need to be tackled alongside the institutional and architectural ones. As de Larosière has indicated, a better system of crisis management and early intervention needs to be created. Work on deposit guarantee schemes and burden-sharing must not be delayed. Otherwise we risk creating inconsistencies with potentially serious consequences.

I am confident we will be able to progress on all fronts, making sure that all of the relevant concerns raised during this great transformation will be adequately addressed.

Hopefully, this conference will help us get deeper into some of the more problematic areas of the continuing financial markets reform and help us realise, in the spirit of better regulation, how to reach our shared policy goals in the most effective and efficient manner.

The five panel discussions ahead of us will be covering most of the hot topics, starting with supervision, banking and then the new regulation of alternative investment funds. Tomorrow, we will be looking at rating agencies and the finalisation of the Solvency II project. I hope you will find the program interesting and am looking forward to a lively debate.

But before I hand over the floor to Jiří Król, who will be leading us through the conference, I would like to thank the presidency team for all their hard work and thank all of you who have made it possible for that work to come to a conclusion. I very much hope that we will keep up this spirit during the Swedish presidency which faces no lesser challenges.

So, once again, welcome in Prague and let the conference begin.