

COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

INVITED COMMITTEES:

COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

HEARING OF MARIA LUÍS ALBUQUERQUE

COMMISSIONER-DESIGNATE

(Financial Services and the Savings and Investments Union)

WEDNESDAY, 6 NOVEMBER 2024

BRUSSELS

1-0002-0000

IN THE CHAIR:**AUORE LALUCQ***Chair of the ECON Committee*

1-0003-0000

(The hearing opened at 09:00)

1-0004-0000

Aurore Lalucq, *Chair of the ECON Committee*. – Good morning, everyone. Before begin our meeting this morning, I would like to join many of my fellow Chairs in expressing our heartfelt solidarity with Spain and the Spanish people, as they endure the severe impact of the recent devastating floods. We extend our deepest condolences to the victims and to all those affected across Spain. We stand in solidarity with the families and friends who have lost loved ones, as well as those whose homes and communities have been ravaged. Please know that you are in our thoughts and that this tragedy will never be forgotten.

I would like to begin today's confirmation hearing by welcoming Miss Maria Luís Albuquerque, Commissioner-designate for Financial Services and the Savings and Investments Union. I would like also to welcome, of course, the members of the ECON Committee and the members of the invited committees – IMCO and LIBE – and their Chairs present in the room.

Before proceeding with the hearings, I would like to recall some information regarding the process and procedure in line with the guidelines for the approval of the Commission. During the evaluation of the hearing, coordinators have to state clearly whether they consider the candidate to be qualified both to be a member of the college and to carry out the particular duties she has been assigned.

Miss Albuquerque has replied to our written questions, and her answers have already been made available to Members in all languages. Furthermore, the Committee on Legal Affairs has assessed, on the basis of the documents presented, the question of potential or actual conflict of interest and has raised no objection to holding this hearing.

Regarding the organisation of the confirmation hearing, we will proceed as follows. Firstly, Miss Albuquerque will be invited to make an opening statement of no longer than 15 minutes. She will be given five minutes at the end of this meeting for closing remarks. After the opening statement, we will proceed to the questions by Members.

There will be four rounds. During the first round, coordinators will have five minutes each, with one minute for the question and two minutes for the answer from the Commissioner-designate. If allowed, a follow-up question from the same Member can be made – one minute for the follow-up question and one minute for the answer. I'll be very strict on the time. We are in the ECON Committee, so I think you know how to count. During the second round of questions, Members will take the floor following the pre-agreed distribution of speaking time among the political groups, including the non-attached Members. The question and reply will have a duration of a maximum three minutes. The Chairs of the third invited committee will be given the floor during the third round. Both of them will have three-minute slots. During the fourth and final round of questions, political groups, in reverse order, will have the possibility of intervening. Each group will have a three-minute slot. The slot of three minutes will be divided into a one-minute period for the question, and a two-minute period for the answer.

Before giving the floor to Miss Albuquerque, I would like to inform you that interpretation is provided in 23 languages. Speakers are reminded to intervene at an appropriate pace in order to facilitate the work of our interpreters – who I want to thank, by the way, for the work they are doing – and not to exceed the allocated time.

The confirmation hearing will be streamed live on the Parliament dedicated website, and the recording of the session will be available in due time after the meeting.

To conclude my opening remarks, I acknowledge Miss Albuquerque's responses to the horizontal written questions and her readiness to cooperate with the European Parliament. This is important in the context of the revision of the Framework Agreement between the European Parliament and the Commission, in particular regarding her engagement to be present on a regular basis in committees and plenaries, to follow up on Parliament's legislative initiatives, and to timely share information with the Parliament as a co-legislator and an arm of the budgetary authority.

We as Parliament count on the full implementation of this commitment and emphasise the Commission's role as an honest broker in all legislative procedures and in interinstitutional negotiations, ensuring equal treatment of Parliament and the Council.

I equally count on your full cooperation to also inform our committees in advance of all upcoming proposals, with detailed justification for those requiring urgent action. This will ensure transparency and allow Parliament to properly exercise its prerogative.

I now give the floor to the Commissioner-designate for a presentation of no longer than 15 minutes.

1-0005-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Madam Chair. With your permission, I'd like just to address a couple of words in Portuguese to our Spanish friends.

Quero, de facto, apenas dirigir umas palavras aos senhores deputados espanhóis, em particular, para expressar a minha profunda consternação com a tragédia de Valência e, enquanto portuguesa, de um país vizinho, de facto, não há palavras para traduzir a nossa empatia, a nossa solidariedade pelas perdas irreparáveis que os nossos amigos e vizinhos espanhóis estão a sofrer. Sinto muitíssimo.

Madam President, honourable Members, thank you for the opportunity to be here with you today. I am deeply grateful to President von der Leyen for entrusting me with the role of Commissioner-designate for financial services and the Savings and Investments Union. I stand before you today to share my vision for this role within the College of Commissioners and to seek your support and your guidance.

But first, let me start by giving you an idea of who I am and what I stand for. I am an economist by training with over 30 years of experience in practising economics and finance. I started as a university lecturer in economics and finance. I entered the Portuguese civil service, where I worked in the Treasury, in a state-owned company and in the public debt management office. I served as Secretary of State and as Minister of Finance. I was a member of the Portuguese Parliament and a full member of the European Affairs Committee. More recently, I worked in the private sector, predominantly in a non-executive capacity.

I have therefore had the opportunity to observe and interact with the financial services industry from multiple perspectives. I believe my particular combination of experiences means that I can

connect the dots between the formulation of public policies and how those policies are implemented on the ground. If you choose to confirm me, I will use all my experience and expertise solely to serve the interests of the European Union and its citizens.

From my background, I would highlight my time as Minister of Finance, as it coincided with the deepest economic crisis the EU has ever seen. As you will remember, the impacts of the great financial crisis and the subsequent eurozone crisis were particularly tough in my home country. I recall intense and difficult negotiations at home and here in Brussels, and the very difficult decisions we had to take. I am deeply aware of the scale of distress for too many people in Portugal and across the EU during those difficult years.

I have learned one essential lesson from those dark days: financial stability will always be the prerequisite for a strong and competitive economy – one that serves its citizens and their prosperity. That is why, honourable Members, if confirmed, my main anchor will be the stability and integrity of our financial system.

Your vision and your work in this House have been instrumental in laying the foundations for stability and integrity in the EU financial system over the past 15 years. Nevertheless, the financial services portfolio, like all others, must be viewed in the context of the times that we live in. There is no doubt that the EU economy is falling further behind in terms of its global competitiveness. I worry that without decisive action, Europe will lose the ability to decide its own future and fulfil the promises of growth, jobs and prosperity we have made to our citizens.

The recent reports from Mario Draghi and Enrico Letta have shed light on what needs to be done. President von der Leyen's political guidelines gave us a vision for a stronger and a more competitive union. And my mission letter spells out how I should contribute.

We need to collectively rethink what a strong and competitive economy looks like. To me, a strong and competitive economy is one that actively encourages and supports innovation and entrepreneurship, that commits to sustainability, that promotes the development of physical and human capital, that is characterised by social mobility and inclusive growth, and one that protects and empowers consumers. If the EU is to have a strong and competitive economy, we must bring all these elements together to drive progress and prosperity. This is my vision.

If you give me your support, honourable Members, I will work with you to define and deliver upon the Savings and Investments Union as President von der Leyen has asked me to do. To bring about the Savings and Investments Union, we must boost demand through greater retail participation, improve the efficiency of supply by a targeted harmonisation of laws, remove barriers to a market-driven consolidation, and consider how cross-border supervision can be made more coherent.

Over the next five years, we must work together to deliver more opportunities to finance investments based on an improved environment for institutional, retail and cross-border investments, deepening the single market for capital, notably in equity, with a focus on companies at the growth and scale-up stages, and also based on improved opportunities for EU citizens to grow their wealth in a safe and sound way. To get there, a more ambitious collective step forward is needed, because we must act in line with what we say we want.

This will demand political courage. I am under no illusions about how challenging it will be, both technically and politically. Having been myself deeply involved in many of the discussions about the banking union and the Capital Markets Union in the past, I fully understand what this means

and what it entails. But the costs of not taking this step forward would present the EU with an even greater challenge.

Honourable Members, working on the Capital Markets Union and the banking union have been priorities for each Commissioner, who has held this portfolio for over a decade. I will endeavour to move these long-standing projects decisively forward, as I believe we must, and I will leverage at my best today's awareness of the importance of a seamless flow of capital for European competitiveness. For that, I will need your support along this journey so we can improve the EU's competitiveness to the benefit of our citizens and our businesses.

An important element of the competitiveness discussion is the need to reduce the regulatory burden on companies, in particular SMEs. And we do need to ensure that our regulation is fit for purpose, that it adds value. This means avoiding excessive compliance costs and undue regulatory requirements without compromising the stability or integrity of the financial system, nor undermining investors or consumer protection.

If confirmed, I will ensure that our rules on financial services contribute to a more competitive economy and that they are rigorously implemented and enforced to achieve the desired goals. In this way, I will contribute, with your help, to the task to be led by the Commissioner for implementation and simplification.

But, honourable Members, our choices are also about our values as Europeans and what we are willing to do to uphold them. We must continue to fight financial crime, particularly money laundering and financing of terrorism, both within the EU and at the international level, notably with the launch of AMLA as an EU authority.

Equally important, crucially so I would say, is enforcement of sanctions policy. We must ensure EU sanctions are effective and that circumvention routes are shut off.

Let me now turn to two very important elements that, if confirmed, will receive my particular attention. The first element is implementation. The European Union is the leader in developing frameworks for sustainable finance and digital finance. These regulatory frameworks are important in providing certainty for market participants and are indeed influencing our international partners' approaches. On sustainable finance, I will continue Europe's efforts to direct more private capital towards projects that have a positive environmental and social impact as a contribution to a more sustainable future. With the framework in place, we have to implement it. I believe now it's time to shift the focus of sustainable finance policy towards making the framework more usable, particularly for smaller enterprises and for those in transition towards sustainability, while keeping greenwashing at bay.

On digital finance, including the use of artificial intelligence – we can all agree, I think – it brings undeniable benefits, but also associated risks, which means it also requires continued and close attention. The risks for individuals are already being addressed by the AI Act.

If confirmed, I would take a balanced and forward-thinking approach to advancing digital finance, ensuring its advantages are harnessed by both citizens and businesses. And I will do this in coordination with the Executive Vice-President for tech sovereignty, security and democracy.

The second element is financial literacy. Despite the extensive reforms put in place since the great financial crisis, we know that trust in the financial system is still low. If we want Europeans to make the most of the opportunities that the financial system presents, they need to trust the system and

they need to feel confident that they can manage their money. If you approve me as Commissioner, I will endeavour to empower European citizens, promoting financial literacy, to participate in the financial system in a fair and efficient way, to take control of their finances and, in doing so, to take control of their own future.

Allow me to conclude by noting that this mandate will likely be even more challenging than the one which ends now. We live in highly uncertain times, and as times change, so do trends and threats. While we must remain focused on key areas such as our climate, digital and social transitions, our strategies for achieving our objectives must evolve to reflect the changing context, and the urgency to act decisively cannot be overstated.

If confirmed, I will want to lock in past achievements by maintaining a robust and stable financial system. But I will also want to embrace new opportunities to empower innovators and entrepreneurs to deliver a competitive and prosperous European Union, ultimately benefiting us all.

Honourable Members, as elected representatives, you speak for nearly 450 million people. If you choose to support me, I commit to fostering a collaborative relationship with this committee, and the European Parliament in general, that drives us together towards a shared vision. My relationship with you will be founded on transparency and trust. I would want to exchange openly with this committee on a very regular basis – to listen to you, to share with you, to discuss with you and to find common ways forward together. Thank you and I look forward to your questions.

1-0008-0000

Aurore Lalucq, *Chair of the ECON Committee*. – Thank you, Commissioner-designate Ms Albuquerque. I will now open the Q&A session. Ten seconds before your time is up, there will be a red star. So it will be: one minute, two minutes, one minute, two minutes.

1-0009-0000

Markus Ferber (PPE). – Thank you very much, Ms Albuquerque. Welcome in the name of the EPP here in the European Parliament. You mentioned already the Draghi report, which has highlighted the needs for investments, and it is clear that the investment volumes needed can not only be stemmed by public sources. So private money is needed.

One area where private money could come from is institutional investors, such as pension funds and insurance companies, as they have a long-term perspective. And as I was the negotiator for the Solvency II adjustments where we introduced some possibilities for more investments, we see now that the first working papers from the Commission go in a different way. So how will you fulfil the Draghi requirements that investments are needed? And how can the Commission prepare papers, in a sense, that legislators have adopted? And how can you commit yourself for a faithful implementation of the whole package with no dilutions or watering down?

1-0010-0000

Maria Luís Albuquerque, *Commissioner-designate*. – You are absolutely right. The scale, the magnitude of the challenges ahead of what we must do, require that we all come together, bringing public funds and private funds to address the needs of our green, social and digital transitions. And private money is needed.

So we need to create the conditions for that private money to be fully on board in participating in this common project for these common goals. These institutional investors, which you mentioned,

are obviously very important. Insurance companies are key in capital markets as capital market participants. Solvency II has just been reviewed, as you mentioned, and indeed the changes introduced would allow insurance companies to be more active, would allow them to take a more long-term investment, particularly on equity, which actually matches better the nature of their long-term liabilities, but also the fact they are less dependent now on the short-term market.

Short-term market volatility is also supportive for the activity of insurance companies within the capital markets. I can say that we are very committed. I will be very committed, if appointed, and making sure that the level two will fully respect what was agreed by the co-legislators on level one, and that we find the most efficient and least burdensome way of implementing what has been agreed, so that we can translate the agreement into reality and actually bring about more long-term investment, more support for our corporates.

A better financial, a better capital market. Something that will ultimately resolve much better. I commit to fully respect what was decided on level one and implement in the best possible way.

1-0011-0000

Markus Ferber (PPE). – Thank you very much for this commitment. In his report, Mario Draghi also makes explicit reference to Solvency II and recommends - and I will now quote him - 'assesses whether further changes to the capital requirements under Solvency II are warranted by further reducing the capital charges on equity investments held for the long term'.

What do you make of those recommendations, and what other measures do you have in mind to boost the capacity of institutional investors to invest in the real economy?

1-0012-0000

Maria Luís Albuquerque, Commissioner-designate. – I would say that now we have just reviewed Solvency II. So I would give it some time to see whether the changes already introduced do produce the necessary results. There is still a lot of work to be done to make these agreements implementable on the ground. So I would give it some time to see if it works.

We have been producing a lot of legislation in recent years. I believe that we also need to give it some time to settle in and see whether it's working or not. That being said, and if confirmed, I will always stand ready to assess whether other changes are necessary or adequate to deliver the results. Because our focus must be on what we need to deliver and do whatever is necessary to get there.

1-0013-0000

Jonás Fernández (S&D). – Good morning, Commissioner-designate. Thank you so much for your kind words on the Spanish floods. *Muito obrigado.*

My question relates to a potential conflict of interest to carry out your duties in an independent manner, free from any external interference. Shortly after your term in office as the Minister of Finance in Portugal, you went straight through the revolving door to become a director for an investment company specialising in buying up distressed assets and default loans, including from Portuguese banks that had been until recently under your direct oversight as Minister.

Your role at that company also coincided with your duties as a member of the Portuguese parliament. The severity of this conflict of interest led to legal change in the Portuguese framework governing the incompatibilities and restrictions for holders of political office.

So what assurance can you give this committee that any past, current or future activities that you carry out or intend to carry out will not cast doubt on the performance of your duties as Commissioner?

1-0014-0000

Maria Luís Albuquerque, *Commissioner-designate*. – 'Morning, Mr Fernández. Thank you for your question. Let me just clarify: what you said is true after being minister of finance, I did work for a UK-based group called Aero Global Company, which was at the time listed on the London Stock Exchange, being an asset manager and a credit services provider. And I did that while being a member of the Portuguese Parliament. That point was assessed by the ethics committee of the Portuguese Parliament, which concluded that there was no conflict of interest and no incompatibility. So that issue was properly addressed where it should have been.

From the perspective of the guarantees that I should give you as to my independence, I have had different roles in my past. I have, as I said, over 30 years' experience in economics and finance, most of which, by the way - about 25 - were in the public sector. And more recently, I had these roles as an independent non-executive director. And independent non-executive directors are those people called in to scrutinise and to control the work of the executive parts of the companies and to make sure that they comply, not just in format but also in substance, with regulatory requirements. To best conduct processes so that they deliver the business in the best interest of all stakeholders, workers included, as well as society at large.

So the work of an independent non-executive director is a role which is probably closer to the role of a regulator than the role of an executive within the same company. And I can promise you that I will serve the interests of European citizens in Europe, alone, under all circumstances. If you confirm me, that is the oath I will take you and that I will follow through time.

1-0015-0000

Jonás Fernández (S&D). – After the result of the American elections this morning, I would like to ask you if you believe that Europe should follow a race to the bottom in our regulatory framework in order to keep a supposed level playing field or should we, in order to ensure financial stability, prepare our prudential framework to avoid a negative impact of the regulated agenda that we expect from the United States?

1-0016-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Mr Fernández. I am well aware of the fact that some of our international partners have decided to give it more time before implementing, namely, the Basel III requirements. As I said in my opening remarks, and I will keep saying through this hearing, I am very much aware of the need to preserve financial stability. I would not defend a race to the bottom. I'm aware of the challenges and the need to keep a level playing field. I would urge our international partners to also implement the proper framework, because I do believe that the agreement reached on the prudential requirements for the financial system are key to develop, or to maintain, a resilient financial system, and that it is in the best interest of Europeans, and it should be the best interests of Europeans that guide us through all this process.

1-0017-0000

Enikő Győri (Pfe). – *Bem-vinda* Commissioner-designate. I was pleased to read in your written answers that the Savings and Investment Union must work for all Member States. How will you

make sure that the new rules provide equal opportunities for all Member States, especially the ones with smaller and less-developed capital markets?

My second question is on supervision. Your mission letter, fortunately, doesn't mention the centralisation of capital market supervision. You also said that some of the CIU facilitating measures might be bottom-up and, as such, led and delivered by Member States. So are you ready to protect national supervisory competences where better-aligned national supervisors jointly deliver convergence supervision instead of rushing into reckless and unfair over-centralisation?

1-0018-0000

Maria Luís Albuquerque, *Commissioner-designate*. – It is a very important part of the delivery of the goals and the vision that I share about the Savings and Investments Union, that we do provide equal opportunities for all citizens, for all corporates, no matter where they are in the European Union. Actually, I think that is one of the promises that we need to deliver under the Savings and Investments Union: that regardless of where you are you, have the same opportunities to save, to be adequately remunerated, remunerated and properly protected, but also accessing funds, whether they are risk funds or for traditional companies, whatever corporate sector needs. So it is about making sure that there is a level playing field across the EU.

On the topic of centralisation of supervision. The issue here is to get to convergent supervision, because if it is not properly harmonised it does create barriers among Member States which make difficult the goal of creating a level playing field. So I would say that I am not fundamentalist on how we get there. I think we should discuss this. There might be parts of the market which would benefit from centralised supervision. There might be parts of the market which would benefit from a stronger cooperation among national supervisors.

Again, I am, if you confirm me, very much focused on delivering on the results, and I am prepared to find compromises on what works best. The point is, we want a functional financial market in the European Union that creates a real level playing field for everyone, no matter where, and I will take the route that we can make consensual to get there.

1-0019-0000

Enikő Győri (P/E). – Your opinion on a potential side effect of FIDA, the financial data sharing. Let's suppose an American bank has or opens a subsidiary in Europe. We'll have access to all data. It can offer its clients something very competitive in US markets. And by this, the objective of this FIDA will be counterproductive, it will attract capital out of the EU towards the US.

Do you think it's a potential risk? Do you think that something has to be done against that or do you see it as not a real danger? My second question is rather more political, and I was very much appreciating your approach, saying that equal Member States are all equal. And I would suppose you agree with me: not just Member States, but also MEPs are equal. Are you ready to treat us all, independently of party affiliation, in an equal way?

1-0020-0000

Maria Luís Albuquerque, *Commissioner-designate*. – On FIDA there is still an ongoing process. So, if confirmed, I hope to have the opportunity to go into more detail and to also participate in the finalisation of the process. And I think that we should always focus on what is best for the EU. But I also believe that remaining open and being an attractive market for third-country participants to invest in, to come here to provide services respecting the rules of competition, and obviously the

rules of our supervisors, is a good thing. But I'm always willing to look into open files in particular and see how we can improve.

On the treatment of all MEPs as equal: of course I respect all MEPs equally. I have asked for meetings with all MEP families ahead of this hearing, and I intend to maintain an open cooperation with everyone who is constructive and who respects European values.

1-0021-0000

Johan Van Overtveldt (ECR). – Hello, Ms Albuquerque, welcome from my part too. I would like to focus on the shadow banking system. In your written questions, you recognise the financial stability, risk and vulnerabilities of these finance or funding structures. But overall, your assessment of them remains quite positive.

Now, could you provide more concrete details on the specific initiatives that you plan to pursue in this area? And I would like you to comment on the recent call by the European Systemic Risk Board that in this context, money market funds, open-ended investment funds, preparedness for margin calls and crypto assets would be key areas for legislative action.

And do you agree that the renewed momentum behind the Capital Markets Union coincides with enhanced resilience among these non-bank financial intermediaries?

1-0022-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Mr Van Overtveldt. The non-bank financial institutions – and I prefer to call them that rather than shadow banking – are a group of a very diverse type of investors. It does include insurance companies, pension funds, asset managers. And they are all very, very relevant for the development of capital markets. They are indeed very significant participants, players, and we do need to make sure that they are on board if we want to deliver on the Capital Markets Union and on bringing about the Savings and Investments Union.

There are obviously risks and vulnerabilities linked to these non-bank financial institutions. Many of them are already regulated. Some others, like sovereign funds or family offices, are less regulated. So, it presents some risks, though they are a smaller part of the market than one might think. But there is also to be recognised that their link to the financial system, to the banks in particular, is being also addressed by the ECB as supervisor. So, a part of the risks involved in their activities is already being handled from the existing supervisors of the banking sector.

That being said, when the Commission does propose something, it always takes into account the recommendations of the different supervisors, including the European Systemic Risk Board, and indeed they should be taken on board.

On the enhanced resilience, it is an area where we have to keep very focused, because they are positive – you are right when you say that I say they are positive – and they are important participants in the market. But we must keep a very close eye on how it develops and be ready to act accordingly if needed.

1-0023-0000

Johan Van Overtveldt (ECR). – I would like to elaborate on this and bring in the securitisation process, where the Commission has initiated a public consultation. The objective is to create space on banks' balance sheets by packaging risks and thereby facilitating credit for within the Capital Markets Union.

Now, don't you fear that, through this process, a kind of backdoor system will develop where these risks that are now on the balance sheets of banks will reappear on the balance sheets of what you call the other funding structures, or what I still prefer to call the shadow banking system? So, the backdoor system – that might start to go in higher gear.

1-0024-0000

Maria Luís Albuquerque, *Commissioner-designate*. – There is indeed, as you mentioned, an ongoing consultation on securitisation and it is in my mission letter that I should try and revamp the securitisation market. I've heard concerns about the risks regarding securitisation. It is a very relevant instrument and we should not confuse instruments with the misuse that they have had in the past. They are separate things. So, what we must make sure is that we do take the benefits of those financial instruments while we mitigate and prevent their misuse and address the risks that they may bring about.

But given that we do need to have higher levels of financing to our economy, we must look at how we can support the banking sector in doing that, because we want to build a Capital Markets Union. But we know that the reality is that our companies are still way too dependent on the banking system.

So, addressing the banking system issues and allowing them to free more capital to deliver to the system is also positive.

1-0025-0000

Stéphanie Yon-Courtin (Renew). – Bienvenue au Parlement européen, Madame la commissaire désignée. Votre lettre de mission vous charge de construire l'union de l'épargne et de l'investissement, et cette union des marchés de capitaux passe notamment par la relance de la titrisation, par une meilleure allocation de l'épargne ou bien par une supervision plus intégrée au niveau européen. C'est une urgence pour le sursaut de la compétitivité de l'Union européenne.

J'ai trois questions concrètes. Quelles propositions concrètes envisagez-vous dès 2025 à court, à moyen et à long terme? Deuxième question: pour avancer sur l'union de l'épargne et de l'investissement, quelle est votre position sur le 28^e régime proposé dans le rapport Draghi? Et enfin, vous êtes chargée de contribuer à la conception d'un produit d'épargne et d'investissement simple et peu coûteux: comment envisagez-vous ce produit pour le citoyen européen? Comment cette idée va-t-elle s'articuler avec les propositions du rapport Draghi? L'État est noyé concernant la question et la création d'un produit d'épargne européen de long terme.

1-0026-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Merci, Madame Yon-Courtin. On securitisation, in the interest of time I would just recall what I just said about the relevance of the instrument and the need to address the risks that it may bring about.

On more integrated supervision, again, it is key to eliminate the barriers that currently prevent us from having a functional financial market, because that is what it's all about. We do not have a functional financial market in the EU, and that brings an incredibly high cost to everyone. For our corporate sector, it is very difficult to find the funds that they need, and it is also very difficult for our investors, including retail investors, to find the opportunities that they deserve so that they can put their savings to work in a way that actually delivers to them better financial futures. That happens also because we do not have a functional financial market. That is what we need to build,

and more integrated supervision – regardless of how we get there, whether more centralised or through cooperation among national authorities – would help deliver that.

On the proposals, I said in my written answers that I will come back to you, if confirmed, in a few months with concrete proposals on deliverables for a five-year term, which I hope to be able to agree with you.

On the 28th regime issue. I think it could work. The existing experiences on the 28th regime are not too encouraging, sadly, but I am open to solutions that work. Once again it is about results and it is about delivering. If the 28th regime is the solution that works, I would be willing to support.

I will have to leave the last one for the next answer, sorry.

1-0027-0000

Stéphanie Yon-Courtin (Renew). – Le vieillissement de la population en Europe repose la question, remet à l'ordre du jour la question du système de retraite en trois piliers pour assurer une retraite décente à tous nos citoyens européens.

Vous l'avez dit en répondant à mon collègue Markus Ferber: le secteur de l'assurance a un rôle clé à jouer dans la création de l'union de l'épargne et de l'investissement. Pourtant, il est très peu mentionné dans les débats actuels. Quel rôle prévoyez-vous pour ce secteur dans la création d'une union de l'épargne et de l'investissement? Et quelles leçons tirez-vous de l'échec du PEPP – vous savez, ce produit paneuropéen d'épargne retraite individuelle – pour développer un produit d'épargne européen de long terme?

1-0028-0000

Maria Luís Albuquerque, Commissioner-designate. – On the pension system, you are absolutely right. Pension funds are critical for the development of a proper capital market. It is not by coincidence that in the countries where you have the more developed pension funds, you have also more developed capital markets. The two things go hand in hand. So we do need pension funds to be active market participants and to develop their role and their size within the European Union.

On the failure of PEPP – and that allows me to go back to the question which I did not answer previously on developing a safe, European-wide retail investment product – I would, if appointed, have to look into why these have failed. I need to understand why the products already designed have failed and address that. Whether revamping the existing ones or creating new ones, I need to understand why they did not work.

1-0029-0000

Kira Marie Peter-Hansen (Verts/ALE). – Welcome, Commissioner-designate. I would like to follow up on the question from my colleague from S&D on financial stability, because I appreciate what you're saying so far, but for us it's very important that we have a robust financial sector that can withstand shocks.

In that regard, I would like to ask you if you can commit to the full implementation of the Basel III standards as adopted by the co-legislators, without any further delay or conditions in this regard.

I would also like to ask you which concrete measures and actions you plan to take as Commissioner to complete the banking union also, when it comes to establishing a European deposit insurance scheme.

1-0030-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Ms Peter-Hansen. I really meant what I said, and I will repeat it: financial stability is absolutely key.

Some might be under the illusion that if we become a bit more lenient, and look for short-term gains, by being less demanding on prudential, on financial market regulation, that we would have short term gains. But even if we do, we know that a financial crisis makes that all go away and puts us in a much worse position. So I will be defending financial stability.

That also means that the Basel III standards should be fully implemented. We have already postponed for one year a part of the framework, the fundamental review of the trading book, and we will also have, obviously, to keep an eye on the need to maintain as much as possible a level playing field, because it is important that our banking sector is competitive also at the international level. But this is, as I said before, clearly not a race to the bottom where I would participate. I think that the financial sector needs to be regulated. What you need to focus on is to how to make this regulation fit for purpose, how to make it less burdensome, how to reduce the administrative costs, how to deliver best. It's not about deregulation. It is about making sure that the existing regulation is better implemented, which are two very different ways of looking at the situation.

On EDIS, I have been a supporter of EDIS from the very first moment when it was discussed right after the financial crisis, and I still think it is absolutely critical to delivering on the banking union and on our projects. That being said, I respect the fact that the current approach is not working, so I'm willing to work on alternative ways to deliver the same result, which is that all depositors would have the same protection, no matter where they are in the European Union, breaking the loop between sovereigns and banks.

1-0031-0000

Kira Marie Peter-Hansen (Verts/ALE). – Thank you very much, Commissioner-designate. Moving to a topic that you touched on, but we haven't touched on in a question, which is sustainable finance, can you elaborate what you're planning to do there and whether you can also commit to scaling up the legislative work on sustainable finance and not limit your work on just an updated categorisation of financial products.

1-0032-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Sustainable finance is actually very important, and I mentioned that in my opening remarks, because the EU is leading on this commitment to a sustainable future. We have all agreed on the Green Deal. 2050 is a target that will not move, should not move. But we should discuss how best to get there. So we should keep our eyes on the objective and discuss the path.

On sustainable finance, I think there is a lot we can do to make the framework more usable, to make it more proportionate for smaller companies, for smaller market participants, to correct the existing overlaps. Because there are overlaps, there are inconsistencies. There are probably reporting requirements which can be streamlined. So it is about the implementation part of the sustainable finance framework and also the fact that we know the framework is being used as a labelling regime for services and products, and that is not what it was designed for.

1-0033-0000

Catarina Martins (The Left). – Senhora Comissária indigitada, sei que conhece bem o setor financeiro e em Portugal conhecemos bem o resultado dessa proximidade.

É um caso exemplar de portas giratórias ou da raposa a tomar conta do galinheiro. Neste caso, as galinhas são o fundo de pensões que podem mesmo acabar comidos. Não é coisa pouca.

Enquanto diretora da REFER, custou milhões à empresa pública em contratos swap.

Fez do nosso país cobaia da Europa na resolução do BES, que disse que não custaria um cêntimo aos contribuintes portugueses. Custou 8 mil milhões.

Ofereceu o BPN e pôs o país a pagar o buraco.

Ofereceu a ANA, por meio século, no negócio arrasado pelo Tribunal de Contas português e a investigação na Justiça.

Presidiu à venda de ativos do BANIF, quando era um banco público, à Arrow, e depois foi trabalhar para a Arrow, um cargo que acumulou com as funções de deputada.

Agora, estava a trabalhar para a Morgan Stanley e quer vir para a Comissão trabalhar em dossiês em que a Morgan Stanley é interessada.

Pergunta: há limite para o conflito de interesses? E já se sabe para que banco vai trabalhar a seguir?

1-0034-0000

Maria Luís Albuquerque, *Comissária indigitada.* – Senhora Deputada Catarina Martins, umas breves notas sobre a questão que disse, eu já tive oportunidade de responder.

É verdade, fui trabalhar para a Arrow. Deixe-me dizer, Senhora Deputada, que qualquer pessoa que saiba como o banco funciona percebe que as decisões sobre vendas de carteiras de créditos são decisões puramente da gestão executiva que não passam sequer pelos conselhos de administração não executivos e, muito menos, pelos titulares das pastas das Finanças. Não é assim que as coisas funcionam.

Dizer também que, relativamente à minha passagem pela REFER e aos contratos de swaps, eu desconheço a fonte de informação da Senhora Deputada, mas o resultado dos contratos de swaps que eu contratei na REFER foi um benefício superior a 40 milhões de EUR para a empresa. Os contratos ruinosos a que a Senhora Deputada se refere foram contratados noutras empresas, antes do tempo em que eu sequer assumi funções governativas, e empresas essas onde nunca trabalhei.

Relativamente às privatizações, já tivemos amplas ocasiões de discutir esta matéria, incluindo nas seis comissões de inquérito em que eu participei no Parlamento português devido às medidas tomadas durante o período de ajustamento, mas, na verdade, todas estas operações foram consideradas procedimentalmente válidas pelas entidades competentes, e a própria ANA, como foi visível numa audição recente no Parlamento português, teve uma primeira versão muito positiva do Tribunal de Contas que depois, por razões que eu ainda não compreendi completamente, foi substituída por uma outra versão mais negativa.

Quanto à oportunidade que agora tenho de, novamente, servir o interesse público, é algo pelo qual eu estou grata, é algo a que, conforme já disse, me comprometo, como sempre, a servir lealmente os interesses públicos.

Aquilo que vou fazer depois disto, Senhora Deputada, não sei. Se me confirmarem, eu estou muito focada nos próximos cinco anos, onde espero verdadeiramente contribuir para o bem da Europa.

1-0035-0000

Catarina Martins (The Left). – Senhora Comissária indigitada, tivemos também uma comissão de inquérito do swap. Não voltarei às discussões que já tivemos antes, sei que falou da sua política enquanto governante, sabe que temos oposições. Continuo a dizer que o mito da saída limpa é só um mito. Foi o BCE que nos permitiu regressar aos mercados e a sua política só trouxe desemprego, pobreza e mais dívida pública.

Mas eu volto às questões de conflitos de interesses porque, repare, não foi capaz de proteger sequer os depositantes de um banco regional e, agora, propõe-se brincar com os fundos de pensões em toda a União Europeia. É a lobista do setor financeiro na pasta e todos os grupos que a aceitarem são cúmplices disso mesmo.

Candidata-se para criar um mercado de capitais que joga com fundos de pensões e com o dinheiro dos contribuintes. Que garantias lhes dá? Até ver, a sua longa experiência é um longo cadastro.

1-0036-0000

Maria Luís Albuquerque, Comissária indigitada. – Senhora Deputada, não entrando na questão que, de facto, nos divide sobre a saída limpa e o que isso representou, já discutimos amplamente isso no passado, eu gostaria de dizer que os depositantes foram protegidos nas situações bancárias em Portugal. Nós encontramos, em 2011, um setor financeiro em situação muitíssimo dramática, aliás, é também por isso que eu sou tão defensora da União Bancária, porque a União Bancária nos permite criar instrumentos que impedem o contágio entre soberano e setor bancário.

É muito importante que nós quebrems esse círculo vicioso que tanto prejudicou o nosso país no passado, e eu discordo também, naturalmente, da visão da Senhora Deputada que no mercado de capitais se fazem jogos com o dinheiro. No mercado de capitais, criam-se oportunidades para que os vários participantes possam, de facto, obter as melhores oportunidades de investimento e para que, também, os investidores particulares possam obter a melhor rentabilidade e a melhor segurança para o seu futuro.

1-0037-0000

Rada Laykova (ESN). – Hello, Ms Albuquerque. I will ask my question in my native language, Bulgarian.

Европейският съюз, както и Европейската комисия, често използват думите "свобода" и "демокрация". И за да не се превърнат тези понятия в кухи фрази, искам да задам няколко сериозни, основополагащи въпроса, които засягат областта на финансите, защото истинската демокрация и личният избор на гражданите трябва да бъдат гарантирани по въпроси, които засягат всеки гражданин.

Възнамерява ли Комисията да вземе предвид желанието на гражданите, например при въвеждането на валути или нови платежни системи, и ще се допитва ли до общественото мнение по ключови решения, свързани с паричната политика, освен организираните срещи с така наречените

”заинтересовани страни” или някои неправителствени организации, защото на този етап широко допитване до европейските граждани имаме само по въпроси като премахване на лятното часово време?

(Председателят отнема думата на оратора)

1-0039-0000

Aurore Lalucq, *Chair of the ECON Committee*. – There will be a follow-up question. I'm sorry, but you had one minute, so maybe the Commissioner can answer what you said in a follow-up. I mean, everyone has respected the rule so far. It was one minute for the question, two minutes for the answer, one minute for the question, one minute for the answer. I'm sorry, but this is a matter of fairness and of equity. You had one minute to ask your question. Sorry. Maybe the Commissioner can elaborate on what you said, and then there will be a follow-up of one minute. I advise you to ask a question during the follow-up.

1-0040-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Good morning, Ms Laykova. On the new payment systems, I think I can maybe comment on that.

We are seeing currently the emergence of innovative solutions for payment systems. That means mobile payment systems, different ways to interact using money, but not necessarily cash. It is something that obviously we need to follow that has to be appropriately regulated.

I don't know the question you were going to ask, but I would assure you, in any case, that the use of cash will continue to be protected for citizens who want to use cash. We have been seeing that the use of cash has been decreasing through time. Lots of people do prefer different solutions, digital mobile solutions to make payments. But the use of cash will continue to be obviously allowed and guaranteed for those who wish to use cash on their transactions.

The payment systems have also been developing new solutions, which are not only within national borders, but often also making it interoperable cross-border. That also is a positive contribution, not only to have better integrated markets, but also to reduce our reliance on providers of other payment means and systems from third countries.

So, the payment system is something that is obviously very important within the portfolio and, if confirmed, I will continue to follow this very closely.

1-0041-0000

Рада Лайкова (ESN). – Планира ли Европейската комисия изменение на чл. 128 от Договора за функционирането на Европейския съюз, за да бъде въведено дигиталното евро като законово платежно средство, имайки предвид, че правният му статут в контекста на Договора за функционирането на Европейския съюз все още е неясен и изисква ли се за това единодушие в Съвета?

В този контекст планират ли се нови правила за това гласуване в рамките на заявените реформи? И тъй като въпросът ми има две плоскости - въвеждане на валути и нови платежни системи, искам да попитам: Как ще бъдат включени българските граждани в решението да приемат валутата евро, когато провеждането на референдум по темата е фактически блокирано в България, въпреки че евентуалното въвеждане на еврото засяга всички български граждани?

И защо ЕС, декларирайки значението на демокрацията, игнорира факта, че демократичното право на референдум е отказано на българските граждани, а в същото време се отправят остри критики към Унгария по въпроси за правовата държава.

1-0042-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you again, Ms Laykova. On the digital euro: as I said before, the digital euro potentially to be introduced would not impede the use of cash, obviously, but it would be important possibly also to introduce a digital currency from an authority.

That being said, the digital euro is not within the remit of my portfolio. It is in the remit of the portfolio of Commissioner-designate Dombrovskis, so he would probably be in the best position to reply to you on this.

On how to include Bulgarian citizens in whatever decision: I can assure you that, if you confirm me as Commissioner, I will include the interests of all European Union citizens, obviously including Bulgarian citizens, but everyone else as well. It is for our citizens that we should work and that I will.

1-0043-0000

Aurore Lalucq, *Chair of the ECON Committee*. – Now it's time to open the second round of questions. The rules are: one minute for the question, two minutes for the answer, and no follow-ups.

1-0044-0000

Lídia Pereira (PPE). – Senhora Comissária indigitada, o excesso de burocracia não é compatível com os desígnios de competitividade e crescimento na Europa.

As poupanças dos europeus são investidas, recorrentemente, em empresas americanas em vez de serem aplicadas no mercado europeu, e falamos de uma fuga de 300 mil milhões de EUR de poupanças privadas da Europa.

Desde a crise financeira de 2008, aprovámos uma catadupa de leis que, em muitos casos, se sobrepõem umas às outras e multiplicam obrigações e encargos administrativos.

Nas cartas de missão, todos os comissários foram mandatados para reduzir encargos administrativos, em particular em 35 % para as PME.

Pergunto-lhe como pretende reduzir a carga regulatória sobre as empresas europeias, nomeadamente as empresas do setor financeiro; se se compromete a estabelecer uma análise de competitividade em todas as iniciativas legislativas no seu domínio de competência; e, por último, se pode indicar alguma legislação que entenda ser prioritário rever no sentido da redução de burocracia.

1-0045-0000

Maria Luís Albuquerque, *Comissária indigitada*. – Senhora Deputada, é verdade, nós temos um excesso de burocracia e o facto de, como refere, todas as cartas de missão dos comissários designados incumbirem dessa tarefa é o reconhecimento claro de que nós temos de fazer alguma coisa relativamente a esta matéria.

Isto terá de ser um trabalho coordenado pelo comissário designado para a implementação e simplificação, naturalmente, mas todos teremos de contribuir e, se me confirmarem, enquanto

comissária para a área dos serviços financeiros, farei a minha parte em matérias como, aliás, também já tive a oportunidade de referir aqui, corrigindo muitas das sobreposições e inconsistências que nós, de facto, encontramos na legislação.

Quanto a, objetivamente, como é que isto se reduz, nós temos ainda muitos instrumentos de nível dois para implementar. Devemos fazer uma análise de quais são os prioritários e de como é que nós, nesta fase em que estamos ainda a implementar muita da legislação que foi aprovada pelos legisladores, como é que conseguimos fazê-la de uma forma significativamente mais eficiente do que aquela que tem sido feita no passado, é verdade, porque, como eu disse, nós devemos agora procurar fazer uma pausa no ritmo legislativo.

Não significa que não haja novas iniciativas, mas o foco tem de estar na implementação do que já foi decidido e em ver como podemos tornar mais *fit for purpose*, mais adequado, mais direcionado àqueles que são os nossos objetivos.

E a prioridade terá necessariamente de ser essa. Na fase de implementação, ver como podemos conseguir uma implementação mais eficaz, que consiga os resultados sem introduzir cargas excessivas ou custos administrativos excessivos. E as prioridades estarão por aí.

Quanto à análise de competitividade nas nossas das novas iniciativas, sim, Senhora Deputada, será feita.

1-0046-0000

Irene Tinagli (S&D). – In the coming weeks we will start the negotiations on CMDI. And the current Commissioner, McGuinness, has been very critical of the Council text. So do you share this very critical position of your predecessor? This was my first question.

The second, still on the management of the banking crisis, I would like you to elaborate a little bit on the issue of liquidity in resolution, because in order to be credible, a liquidity management framework should fulfil two conditions: it should be easy to use and it should be credible. That is big enough.

So, in other jurisdictions, this problem is addressed either by the central bank, like in the UK or the FDIC in the US, but in the banking union we have a gap in this regard. The Treaties allow the ECB to provide liquidity only against collateral, which might be difficult for a banking crisis. And on the other hand, a scheme solely relying on the Single Resolution Fund, even including the ESM backstop, could not be big enough and we know that, and it also has an issue of conditionality of access, etc..

So what do you think you could do to address this problem, to make our crisis management system credible?

1-0047-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Ms Tinagli. On the CMDI framework, which is now ready to start trilogues, I personally would have preferred possibly to see a different route. But that being said, I think we must find ways of pushing this dossier forward that actually improve the situation compared to what we have today. And that should be our focus. We should end this process with a better framework than the one we had when the process started. And that is something that will obviously require effort. And I will also need, if appointed, to look into it in more detail to form a more solid opinion on the topic.

On the liquidity in resolution, you are absolutely right. We are in a relative disadvantage to other jurisdictions, because our banking union is still incomplete. So, we wanted a new architecture and that advanced really quickly in parts of the system at the time – I'm talking about 2012, 2013, 2014. But unfortunately, and maybe because the effects of the crisis have somewhat abated, it was not possible to complete the remaining elements.

One of the remaining elements is EDIS, as was mentioned here today, but it's also about the resolution and the need to have a credible backstop for the Single Resolution Fund. With the ESM, it would still be a significant increase to what exists today on the Single Resolution Fund. So it would be very helpful. But we will need to continue to work to make the whole banking system more robust because we have started the process. It is now, I think, time to get together and complete it, to deliver on what was the original goal, where we haven't been able to get to yet.

1-0048-0000

Isabel Benjumea Benjumea (PPE). – Señora Albuquerque, se calcula que 54 000 empresas, un tercio de las empresas de Valencia, han tenido que detener su actividad a consecuencia de las inundaciones. Son principalmente pymes y autónomos que se han visto obligados a paralizar sus negocios mientras deben seguir haciendo frente al pago de proveedores, alquileres o nóminas. ¿Tiene la Comisión previstas medidas que puedan ayudar a obtener financiación y liquidez para estas empresas, tal y como se hizo durante la pandemia de COVID-19?

Por otro lado, si queremos que la Unión Europea lidere en innovación tecnológica, necesitamos que nuestras empresas emergentes encuentren financiación. Los emprendedores europeos se ven obligados con demasiada frecuencia a buscar financiación fuera de nuestras fronteras. Según el Banco Europeo de Inversiones, la inversión de capital riesgo en la UE es ocho veces menor que en los Estados Unidos. Esto se debe en gran medida a la fragmentación de los mercados de capitales europeos. Mi pregunta es: ¿puede comprometerse a cambiar esta situación y qué medidas contempla para lograrlo?

1-0049-0000

Maria Luís Albuquerque, Commissioner-designate. – On the terrible events in Valencia, I again take the opportunity to say how deeply sorry I am for those. And I am sure that, if confirmed, I with the College will do our best and whatever possible to support Spain and the *Comunidad Valenciana* in particular through this crisis.

On the need to find funding within the European Union for the technological transition or the digital transition, it is true that too often we see resources being originated in the EU needing good ideas originating in the EU somewhere else. And this is what the Savings and Investments Union should help resolve.

We should have a capital market which is big enough with scale, with depth, with liquidity, so that everyone wanting to invest could meet the appropriate counterpart needing funds, regardless of the entry point. That could be three kids having a good idea in their basements in Bulgaria, for example, finding funds coming from France – that that is what a savings union should bring about. It is about ending the current existing situation of fragmented markets that actually confines everyone to their own national borders and it becomes too expensive, too difficult to find the right partners elsewhere in Europe. So, they all move to markets where the depth, scale and liquidity allow these costs to be reduced and to find the right counterpart.

We must act in many different fronts to make sure that they can do that in Europe, because this is wealth and jobs that we are losing for other jurisdictions.

1-0050-0000

Ondřej Kovařík (PFE). – Thank you, Commissioner-designate. Both in your written answers and in your replies in today's hearing we heard that you will come back to us on concrete measures on the Savings and Investment Union only in several months, when you are confirmed in your office. But at the same time you asked for our support today for your action. So I believe, in this respect, we deserve a little bit more detail on what your intended action will be once in office.

So I would like to ask you to provide us concrete examples in these three areas: first, what kind of action you intend to take in order to boost the Capital Markets Union or the Savings and Investment Union in Europe. What concrete barriers you would like to remove in order to make sure that it works in the single market. And also what kind of administrative burden you would like to reduce or remove in order to make it work.

1-0051-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Mr Kovařík . I get your point – the fact that I will be coming back with specific proposals in the coming months. The reason why I want to do that is because I want to be able, in consultation also with you, to bring back proposals for deliverables because I do not want to just keep talking about objectives.

I want to have concrete proposals for how to get there and that will require some more time and also interaction in the College because, as I'm sure you have noted, there are significant and deliberate overlaps between the different portfolios so that we all have to work together towards the common goals. The Savings and Investments Union, being specifically in my portfolio, is still a common goal to be reached by the whole College of Commissioners.

On concrete examples, I can tell you areas and I can give you examples to boost the Capital Markets Union. We could have more convergent supervision. That would help to boost the Capital Markets Union. On barriers to remove, we could have a more harmonised tax treatment, for example for savings EU or pan-European retail savings products. That is a barrier to remove. On the administrative burden we can streamline reporting requirements and make the usability of some of our frameworks better and more adequate for those for whom it is designed.

So these are concrete examples of things that can be done. Some of these measures are already in motion, so some of these processes will be finalised, but on concrete examples and more specific parts I will have to come back to you later.

1-0052-0000

Francesco Ventola (ECR). – Signora Commissaria designata, nella Sua lettera di incarico è prevista una revisione delle misure di assorbimento del rischio per facilitare l'investimento di capitale privato, da parte di banche e fondi di investimento, in *start-up* e aziende ad alta crescita. Come pensa di poter superare eventuali conflitti con le nuove regole di Basilea ed evitare che l'Europa subisca uno svantaggio competitivo rispetto a Stati Uniti e Cina?

Inoltre, le relazioni Draghi e Letta sottolineano l'importanza dell'integrazione dei mercati dei capitali in Europa, evidenziando tre barriere principali – la sorveglianza, la tassazione e le regole di insolvenza – che finora non si è riusciti a superare. Lei ritiene che queste siano effettivamente le

principali barriere all'integrazione? E soprattutto, quali azioni concrete intende intraprendere per superarle e perché Lei dovrebbe riuscirci?

Infine, quali azioni intende intraprendere per creare le condizioni affinché il risparmio privato prodotto nell'Unione europea, pari a circa 300 miliardi, rimanga sul territorio e magari si riesca anche ad attrarre risorse aggiuntive extra UE?

1-0053-0000

Maria Luís Albuquerque, *Commissioner-designate*. – I find it relatively difficult to think that prudential rules are a source of conflict. As I said, financial stability is a prerequisite to all the achievements that we need and that we want. So applying the framework which was discussed and agreed would work to our benefit. I am not downplaying the fact that there might be different decisions made by some of our competitors. And that is something that we need to continue to monitor very closely. But given the relevance of financial stability, and given the lessons that I think we should all have learned from past events and past crises, we must all be committed to maintaining a robust and stable financial system, to the best interest of the Europeans, which is what brings us all together. And so the competitive disadvantages could come more, in my view, from problems in the financial system. We need to make our system robust and also more resilient from problems that can happen elsewhere. And we've had good examples last year because there was turmoil in financial markets that the banking sector in the EU has withstood quite well. So that is encouraging to our position.

On how to create the conditions for the EU savings to stay here, again, it is something which is absolutely key to develop the savings and investments union. We need to give the saving opportunities for our retail investors. We need to give them choice for the products that they want, adequate protection and access to a much bigger market than they have today. It's not about finding the solution in their home market. It is about finding the solution across Europe, and there are plenty of investment opportunities if we know how to handle them. Thank you.

1-0054-0000

Ludovít Ódor (Renew). – Good morning, Ms Albuquerque. I have two questions.

The first one relates to the desperate need to have more risk and venture capital in Europe. Do you see a role also for public capital to activate private capital in these two areas? Because sometimes financing innovation is a sector where also the State has a role.

And the second question relates to the doom loop you mentioned earlier, several times, about how if we look at the balance sheet of banks, we clearly see a home bias in sovereign bonds. So, do you think that there is a need to take some steps in order to decrease this home bias and make the banking union complete?

1-0055-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Mr Ódor. There is the need to have more risk capital in Europe, obviously. But let me just say something that I haven't mentioned before. The lack of risk capital is not only about regulation or public support. There's also a cultural issue here. We have the tendency to punish failure, and we see that in places where venture capital/risk capital is successful, there are a lot of projects that attempt and fail, and those failing are not punished for it. They are recognised for the value of trying. And we also need to have a different attitude, because these innovative business models often fail, and failing often usually brings more opportunities. So it is also about changing a bit our mindset and not just about financial markets.

That being said, the public sector can also help leverage the private funds to invest more in venture capital.

On the home bias on sovereign, whatever bias exists, it means that banks will have less diversification. And we know that diversification is a very effective way of addressing risks. So the more diversified the holdings of banks, the better they would be positioned to break that doom loop that I mentioned before between sovereigns and the banking system.

Bringing about the banking union would also allow more cross-border activity, other types of situations that would make it easier to make different investments be not so much under political pressure, and that would diversify risks. So it would be a win-win. The banking union is something that really benefits not only sovereigns, but also the banking systems across the EU.

1-0056-0000

Eero Heinäluoma (S&D). – Madam Commissioner-designate, really the 'savings and investments Union' is the new phrase for the new Commission. Here there is also the question of the rights of consumers. You mentioned the question of financial literacy, but the other part is the rights of consumers, the rights of small investors.

There is clearly a need for low-cost investment and savings products in the Union, and here I would like to hear your concrete opinions. Which commitments can you give that your proposals will tackle the real problem of excessive fees and inducements? And are you ready to make sure that we have enough transparency in the markets and also value-for-money products in the markets?

1-0057-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Mr Heinäluoma, you're absolutely right. The Savings and Investments Union is the new phrase. I keep using it because I think it's actually a much better way to describe what I have been defending for more than a decade, because it brings together the Banking Union, the Capital Markets Union, and is a concept under this umbrella. We would have the best opportunities for all: for the corporate sector, for retail investors, but also intermediated by the financial services industry, so that it could be a situation where we would all be better off. I really like this expression, so you'll probably hear me repeat it over time – obviously, if confirmed.

On the rights of consumers, you are right. We need to have low-cost products, accessible products that will be the right ones for the risk preferences and the investment horizon of retail investors. And they are different people, save for different reasons, for different periods of time. And we need to make sure that they have the best possible remuneration, but keeping them protected from abuse, fraud, whatever. We need to make sure that they are appropriately protected.

On the commitments for a new product I would say, as I said before, I will look at the existing products and understand why they didn't work. It might be a question of marketing, it might be a question about distribution channels – I would need to understand exactly why they didn't work, because designing a new product without understanding why the other ones failed is probably not the best way to go. So I would like to start, if confirmed, by looking into this and seeing how we can improve the situation.

On the question about the issue of inducements, as you know, it was not possible to agree on that, and I would not find it productive to be insisting on something that cannot be accepted.

1-0058-0000

Marco Falcone (PPE). – Nella lettera di incarico la Presidente von der Leyen ha posto l'accento sulla strategicità della finanza sostenibile.

La Commissaria designata ha accennato poc'anzi a questo tema e a me interesserebbe un po' approfondirlo, perché la complessità del quadro normativo crea notevoli oneri a carico delle imprese e poca fluidità nel settore. Ecco perché siamo convinti che, anche nell'ottica di agevolare la transizione ecologica, occorra facilitare la vita di imprese e operatori economici, riducendo la burocrazia e facilitando l'accesso al credito.

La Commissaria designata come pensa di migliorare il *framework* esistente, rendendolo più vicino agli utenti ma garantendo, al tempo stesso, che l'Unione europea, in questo ambito così importante, resti competitiva e innovatrice a livello globale?

Inoltre ritiene sia possibile, così come Le è stato chiesto nella lettera di incarico, una piattaforma internazionale che garantisca investimenti e dia maggiori opportunità finanziarie agli operatori?

1-0059-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Mr Falcone. On sustainable finance, you are right. The existing framework has been developed in a quite short time frame, and that probably also helps to explain why it needs to be addressed, I would say. It's not about revising, and I would very much like, if appointed, that we keep our focus on the Green Deal, on our commitment on 2050, and not lose sight of the objective. So how can we maintain that goal and deliver better? And I think there is a lot that can be done under this implementation and simplification intention that the Commission has on making it easier for companies to comply with the requirements.

But sustainable finance is something that also the market demands. People want to know if what they're investing in is sustainable. We also have to address – and that is a part that needs to be better covered – transition financing. We need to support those companies now investing to become sustainable and help them through the process, helping them assess the financing that they need to do that. So it is important within the existing framework to make the necessary adjustments to improve on the implementation phase and always be open to potentially changing something which needs to be changed.

Again, it's about the results and agreeing on the best way to get to those results. I think that, in the medium to long term, this will be very beneficial for our competitiveness. It might bring short-term costs, which we need to tackle very carefully, but I think that, medium to long term, being sustainable is something that will actually be very beneficial for Europe. So I would like us to very much continue focusing on that goal.

1-0060-0000

Maria Ohisalo (Verts/ALE). – Commissioner-designate, institutional investors are playing a growing role in the residential housing sector. For instance, around 15 % of residential housing in Germany is owned by large investors. Their strong presence in housing markets leads to a surge in housing prices, disconnecting them from local income and underpinning real-estate bubbles.

This financialisation of the housing market is currently missing in all of the mission letters. Are you committed to tackling this? Do you commit to assessing upcoming legislative proposals on financial services, including amendments to the securitisation framework against their impact on housing affordability? Do you see merit in targeted due-diligence obligations for institutional

investors with housing asset classes on their balance sheet that would protect citizens against evictions and aggressive rental policies?

1-0061-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Ms Ohisalo. The issue on housing has become increasingly worrying across the EU, and that is also the case in my home country. I have three young sons and I have no idea when I will be able to kick them out of the house, so it is an issue!

That being said, and on a more serious note, obviously, because it's a very serious topic, I think that financial markets can actually help a lot in that respect, because the way I see the housing problem is that, for different reasons, including the fact that we had very low interest rates for a very long time, the relative value of assets was distorted. So also for prudential reasons and other elements of the system, there has been an incentive to invest in real estate. So the demand for real estate investment has increased from funds, from insurance companies, from retail investors who took the money out of savings accounts and actually bought real estate.

So this increased demand for real estate, which was not corresponded by an increased supply, led to a surge in prices, and part of that surge in prices is impacting the housing market. So as we build the Savings and Investment Union, as we get to a better distribution of investments, as we shift it towards more equity, we will help release relieve the pressure on the real estate market. So building the Savings and Investment Union would also contribute significantly to address that situation.

That being said, if confirmed, I'm more than willing to engage with the Commissioner-designate for housing and with the rest of College to see how we could potentially consider other measures. But I think, again, solving some of the challenges we have for the capital markets is also an excellent contribution to the housing market problem, because part of the problem originates there.

1-0062-0000

Paulius Saudargas (PPE). – Dear Commissioner-designate, the brutal, unprovoked Russia's war against Ukraine on the EU border is a clear proof of a deteriorating security situation in Europe. Despite this obvious threat, the European defence sector faces persistent barriers in accessing finance, in particular private. Neither numerous Council conclusions nor Commission declarations have eased the situation.

On the contrary, the EU has been leading to push investors towards more sustainable finance. Several of these initiatives in the EU sustainable finance framework have detrimental ramifications on financing the defence sector. To put it simply, our defence industry is being treated as terrorists or drug dealers.

What concrete actions do you suggest to mitigate the defence sector's challenges to access to finance and to remove the problems created by the ESG requirements? Can you commit yourself to propose a change to the EIB statute in order to facilitate EIB financing the defence sector?

1-0063-0000

Maria Luís Albuquerque, Commissioner-designate. – Let me start by saying that I fully stand behind President von der Leyen on the support for Ukraine, on this unprovoked act of war. I will be within the College, if confirmed, fully supportive of the support for Ukraine for as long as it takes.

On the defence sector of Europe, we do need to increase our investments. This is part of the strategic autonomy that we need to build. And we all know that we have been overreliant for a very long time and that, for some time now, we have realised that we need to do better to protect ourselves and we need to start working on that. So I'm fully supportive of all those goals and particularly on the support for Ukraine.

On what you mentioned about the ESG being a constraint for defence financing, to be honest, at this stage, I'm not fully convinced that that is the issue. I do understand that defence financing faces challenges, but I would like to understand better, to talk to relevant stakeholders, if appointed obviously, and to understand exactly what is the cause of these challenges. Because as I stand now, I'm not fully convinced that it is about the ESG requirements. And I think that it should be, and it is possible to reconcile different objectives: strengthening our defence sector, but still looking to a more sustainable future. The two things are not incompatible in my view.

So, I would like to very much look into that in more detail to understand what the specific problems are and whether they are linked to ESG or potentially other reasons that the financial system may have justifying for this. And I would also be willing to cooperate in College to find different approaches to facilitate the growth of the defence sector.

1-0064-0000

João Oliveira (The Left). – Senhora Comissária indigitada, opomo-nos à sua nomeação porque as políticas que aqui defende para o setor financeiro e o mercado de capitais servem os grandes interesses financeiros, mas não servem os povos europeus, incluindo o povo português.

A começar pelo favorecimento do negócio dos fundos privados de pensões, com a fragilização da Segurança Social pública. Isso deixa os trabalhadores e os pensionistas desprotegidos e sujeitos a verem desaparecer o dinheiro das suas pensões na roleta da especulação, como tem acontecido com o escândalo de sucessivas falências desses fundos privados noutras partes do mundo, nomeadamente do outro lado do Atlântico. E também não serve o aprofundamento da União Bancária, a concentração do setor bancário, nem a criação de ainda maiores grupos financeiros europeus.

Essas políticas multiplicam os já enormes lucros da banca e do setor financeiro, concentram poder nas mãos de banqueiros e especuladores e deixam os países mais expostos a crises financeiras. Vimos bem o resultado dessas opções em Portugal com o escândalo da falência do BES, quando a Senhora era ministra das Finanças. Os lucros ficaram nos bolsos dos banqueiros e os prejuízos ficaram para o povo por via do orçamento do Estado.

O povo e, particularmente, Portugal precisam de outras políticas para o setor financeiro.

1-0065-0000

Maria Luís Albuquerque, Comissária indigitada. – Senhor Deputado, muito obrigada pelas questões.

De facto, temos visões diferentes e eu julgo já há alguns anos que concluímos que elas são, no essencial, irreconciliáveis. Isto não nos impede, naturalmente, de manter um diálogo respeitoso e construtivo.

A minha visão sobre a construção de um mercado de capitais é que ele, de facto, pode ser no melhor interesse de todos os europeus, em particular dos cidadãos europeus.

Nós poderemos criar mais riqueza, podemos financiar melhor as nossas empresas. Quando as nossas empresas são melhor financiadas, podem crescer, podem criar melhores empregos, pagar melhores salários. Com isso, as pessoas vivem melhor.

Se tiverem mais lucros, os Estados podem cobrar mais impostos. Com mais cobrança de impostos, podem-se prestar melhores serviços sociais.

E, portanto, favorecer o crescimento económico, favorecer o acesso ao financiamento por parte das empresas, favorecer as opções por parte dos cidadãos é algo que nos beneficia a todos coletivamente. Não é para beneficiar os interesses de uns quantos, é, sim, em benefício do interesse de todos.

A questão da União Bancária, como tive a ocasião de explicar, é também muito importante. E se nós tivéssemos uma União Bancária completa na altura em que o banco (por razões que estão, aliás, em tribunal neste momento, nós estamos a falar de fraude), se nós na altura tivéssemos um enquadramento para uma resolução bancária, nós poderíamos de facto ter impedido que, por um período transitório, ainda que muito longo, se tivessem usado dinheiros dos contribuintes para suportar o processo da resolução do BES. Esse dinheiro virá a ser recuperado, mas o facto de demorar muitos anos faz com que haja efetivamente um ónus sobre os contribuintes que não devia existir.

Completar a União Bancária ajudará a que esse tipo de problemas não ocorra no futuro, seja em Portugal ou em qualquer outro Estado-Membro da União Europeia.

1-0066-0000

Lara Wolters (S&D). – On sustainable finance again, the Sustainable Finance Disclosure Regulation is currently not fully fit for purpose, not delivering for EU citizens. The current pseudo-labelling regime under the SFDR contributes to confusion and greenwashing risks for investors. You seem to acknowledge these shortcomings. At the same time, I also heard you say earlier, it is not about revising at the moment. This is a time for implementation, not for reviews. So very concretely, when can we expect a legislative proposal to review the Sustainable Finance Disclosure Regulation? And will you commit to introducing minimum sustainability criteria for investment products in it?

1-0067-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Ms Wolters. You are right, and I have mentioned this before. The framework is being misused as a pseudo-labelling regime. And this does create greenwashing risks because there are products being marketed and labelled as sustainable. And we are not really sure whether they are sustainable or not. That is an issue. That is why, if confirmed, I would look into the possibility of creating a proper labelling system for green investments, but also for transition investments.

Again, I think we should also put our best efforts in supporting those companies who are transitioning to become sustainable. That is very important because that's actually where the majority of our productive sector is. They are still in the transition phase. So we also need that this framework is appropriate for those companies in the transition stage.

And I am willing to discuss and propose a regime which is actually adequate for labelling, where the labelling of a product as sustainable or transitional or whatever the label may be, actually corresponds to what that product and that service is. And that obviously means setting minimum criteria. And they would have to be easily understandable and easily applicable. I think that

sometimes we try to get it right, and often in that process, we overcomplicate things, to be honest, and make it too difficult to actually be implemented on the ground and too costly more than anything, because then we need to bring in many experts to help us understand what should be understandable from the very beginning. So I'm willing to work on that and to bring about the possibility of having products correctly labelled.

1-0068-0000

Jorge Martín Frías (PFE). – Señora comisaria propuesta, en primer lugar, muchas gracias por sus palabras de apoyo y solidaridad hacia el pueblo español. Seguidamente, la Comisión Europea, bajo el paraguas que se ha denominado como «finanzas sostenibles», ha venido imponiendo un marco que debilita nuestra propia competitividad en un contexto global en el que otros no cumplen las mismas normas. ¿No cree que estas regulaciones excesivas están minando la soberanía económica de los Estados miembros y llevando nuestras empresas a una desventaja competitiva?

Por otro lado, me sorprende que no haya tenido ninguna idea sobre lo bueno de los criterios ASG, sobre todo porque con respecto a las empresas no hay que hacer ningún tipo de intervencionismo. Lo que hay que hacer es sobre todo favorecer que puedan generar prosperidad y ofrecer buenos empleos, que es justamente lo contrario de lo que está haciendo la Comisión.

1-0069-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Señor Martín Frías. As I said before, sustainable finance, I think it continues to be a very important part of the work that we need to do to become sustainable and to be climate neutral by 2050. There are issues of short-term costs for making this transition challenging. And we need to address those costs, and we need to be ready to support our corporate sector in this transition phase, as I was mentioning before. We should focus on supporting the transition. But I do think that when we take a bit of a step back and look at what competitiveness is from a longer-term perspective, and we must also admit that whatever we decide now will have long-lasting effects – so we should also keep an eye on the longer term – that having a sustainable continent will be positive for our competitiveness. And our sustainable finance framework is actually being the model for the setting-up of similar frameworks elsewhere across the globe. So it is not all bad, but there are costs which need to be addressed and we should be encouraging our companies to create jobs, obviously better jobs, but we should encourage them to do that in a sustainable way. And when I say sustainable, I'm not talking just about green. I'm also talking about social. I'm talking about being fit for future, being able to continue to be successful going forward. The issue of competitiveness, if we look at it from a narrower angle of just thinking that others are not complying with the same rules, I think that in the medium to longer term, we would find ourselves in a worse position, so I do believe that we should continue to proceed these goals and do it in the best way possible.

1-0070-0000

Marlena Małag (ECR). – Pani Przewodnicząca! Mam takie pytanie: w jaki sposób Komisja zamierza zająć się ramami regulacyjnymi, aby zapewnić systemom bankowym z krajów Unii Europejskiej spoza strefy euro dostęp do podobnych warunków operacyjnych stosowanych na europejskim rynku bankowym, takie jakie mają w ramach strefy euro, aby utrzymać przede wszystkim równe warunki gry? Przyjęcie wspólnej waluty jest kwestią skomplikowaną, nieredukowalną do kwestii systemów bankowych, a więc nie ma powodów, aby banki w krajach spoza strefy euro były dyskryminowane. Niestety ta kwestia nie jest wystarczająco dziś uzgodniona. Prosiłabym o stanowisko Pani w tym temacie.

1-0071-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Ms Malag. We do have a banking union encompassing the countries already within the eurozone, and there is an association agreement, if I'm quoting correctly, with Bulgaria as well. But I should highlight that the framework in place, and the legislative process, actually applies to the 27 Member States. So there are some specificities for eurozone banking, because they are in the banking union. But all the *acquis*, all the directives, all the regulations apply equally across the 27 Member States. So they should be applied in a convergent way, exactly in the same way.

So I'm sorry, but I'm not sure if I understand your question about discrimination of banks outside the eurozone, and I am sorry if I'm missing something here and not addressing it properly.

The way I see it, all the legislation for the banking sector is actually approved to be applied to the 27 Member States and to be implemented in order to guarantee precisely a level playing field, that no one is discriminated, no matter where they are in the EU, whether in the eurozone or outside of the eurozone, participants or not in the banking union – then they would have different models of supervision, but the level playing field should be assured anyway.

So again, I am sorry if I'm missing something on your question, but I am convinced that the way the process is being handled is exactly to guarantee that there is no discrimination of banks, and hence no discrimination of corporates or of citizens, wherever they are.

1-0072-0000

Anouk Van Brug (Renew). – Thank you, Chair, Commissioner-designate. It's of the highest importance that our citizens can put their money into a safe bank account without having to worry that their bank could go bankrupt. As we continue our work on the Banking Union, it's essential to lower overall risk in the banking system.

So my first question to you is: what risk-reducing measures are you going to take to ensure that all banks in Europe are safe? And my second question addresses the functioning of clearing markets, for which it's crucial to take a new equivalence decision soon. Will you make it a priority to extend the equivalence decision once you take office?

1-0073-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Ms van Brug. For our banks to be safe, and coming back again to one of the topics that I really am keen on, is the completion of the Banking Union. We have, within the eurozone, the Banking Union and we need to make sure that we put in place the parts which are still missing because deposit insurance is still today reliant on deposit guarantee schemes within Member States.

That potentially influences the decisions being made at national level because of the consequences of the impact of preserving such deposits. That leads to risks of rents in banks if there is the perception that the sovereign might be weaker and not be able to support appropriately. So that does create an uneven playing field that we should address within the Banking Union, where the instruments to achieve that should already be in place.

For banks outside the Banking Union, we can think of other ways of also trying to guarantee the same assurances for depositors and maybe that is what was being addressed in the previous question, so hopefully I can reply better now.

On the equivalent decision, I know it's coming and I will have – if confirmed – to address it very soon. The priority here is EU interest. We need a functional market and we need to make sure that our overreliance on infrastructures from other jurisdictions is reduced. But we need to maintain a functional capital market. It is in our best interest, so I would look into this decision, but very soon and also obviously always considering reciprocity.

1-0074-0000

Stefan Berger (PPE). – Commissioner-designate, I want to continue these questions from colleague Van Brug and I want to highlight a matter that is important for the financial stability: the clearing of euro-denominated derivatives. And as you said, the euro clearing is still taking place outside the European Union, outside the eurozone. And this is an anomaly that cannot be maintained four years after Brexit.

So, we had the review of the European Market Infrastructure Regulation, but this does not seem sufficient to bring the euro clearing to Europe. So my question is, do you commit yourself to take the necessary measures to bring euro clearing to the European Union? And once you are successful, what level of concentration would be desirable in your opinion?

1-0075-0000

Maria Luís Albuquerque, *Commissioner-designate.* – Thank you, Mr Berger. You're right. We have the clearing outside the EU – actually, in a jurisdiction that not so long ago was part of the EU. But again, it's not anymore and we should address this problem. But as I said before, we need to defend our interests first and foremost and we need to keep things running.

I would also argue that if we build the Savings and Investments Union properly, as we bring more business into the EU, that will also be a very good incentive to develop such market infrastructures within the EU, because there would be enough business to make it a reasonable thing. This type of business does need scale, because it is only with scale that you get very low costs per transaction. Otherwise it doesn't work.

So, I don't think that there is something that we can create from legislation. We need to facilitate what is this market-driven movement. I think EMIR will not in itself be able to guarantee that they will be located in the EU. It does facilitate that. But in order for the clearing to be within the EU, there needs to be enough business generated within the EU to make it an activity which can actually be profitable without hurting the market. This is a business of scale. So, when you ask me about the level of concentration, it has to be big. Otherwise, it becomes just too costly and it does not serve the interest of the market, does not serve the interest of the EU.

So, we should work to have a better, deeper, more liquid market because that will attract naturally those market infrastructures into our own territory.

1-0076-0000

René Repasi (S&D). – Mr Albuquerque, your mission letter calls for you to work on unlocking bank financing, including through reviving the use of securitisation in the EU. In order to be meaningful, securitisation needs to contribute to financial market integration by underlying loans coming from different countries and securitisations being traded across borders. What should absolutely be avoided is simply deepening existing national markets.

Do you agree that we need to overcome the EU's legal fragmentation in capital markets before turning to specific rules and securitisation?

Moreover, given the role that securitisation played in the global financial crisis, what steps will you take to ensure that measures to revive securitisation do not harm financial stability or increase systemic risk in the EU financial sector?

To be more concrete, can you commit to refraining from fundamental changes to the prudential framework for securitisation?

Whilst I agree that we have to distinguish the instrument from the misuse of it, some design elements can still incentivise behaviour that could be considered misuse.

1-0077-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Mr Repasi, for your very pertinent questions. I will try to reply to your concerns.

As I said, the issue on securitisation, in my view, is not about the instrument, it's about the way it was misused in the past – and it was misused in the past and led to very significant problems. But we should also understand, and that is my understanding, that it is also a very important instrument to free up space on banks' balance sheets. But that should be done – and again, I will repeat this as often as needed – everything will have to be tested against financial stability concerns. So if it is something that will in the end endanger financial stability, to me it is a 'no go', honestly. So financial stability is a prerequisite always.

We are now on a consultation phase, so it would be early for me to say what the direction I think that this dossier should follow. That is why we are having this consultation, exactly to understand the position of different stakeholders and understand what the issues are, how they should be addressed.

So I would think it would be premature to commit on any specific part of the redesign which is envisaged. But I can assure you that financial stability will have to be preserved. We will need to have an efficient market that works, where the possible instruments are put to their best possible use, but at the same time always guaranteeing that we have financial stability and market integrity. That will be sort of always the prerequisite to everything we decide once we have the result of the consultation. If appointed, I will be in a position to address that with those concerns in mind and try to make it more efficient and effective.

1-0078-0000

Kinga Kollár (PPE). – *Bom dia*, Ms Albuquerque. Let me continue on the same topic. We all agree that we need some more financing for SMEs and more affordable housing for citizens. And I believe that one of the key elements to achieve this is by lowering the cost of borrowing. And securitisation is one of the tools that can create an important bridge between banking and capital markets, and so it can lower the cost of capital, and with that, the cost of banking, the cost of borrowing. In Europe, the securitisation is, however, underdeveloped as we just discussed. The outstanding securitised products only reach about half EUR 1 trillion in 2022, one fourth of the 2028 value. In the meantime, US securitisation reached a record high, which is 20 times more of the EU market. You already said that you find the securitisation a very relevant instrument. How would you make this framework less bureaucratic?

1-0079-0000

Maria Luís Albuquerque, *Commissioner-designate*. – *Bom dia*, Ms Kollár, and thank you for your question.

You're right about the need to strengthen the financing for SMEs because SMEs are still the backbone of the European economy. Most of our corporates are SMEs. We should also have big companies and help some of those SMEs grow, give them the proper conditions to become big corporates themselves. But there will continue to be many SMEs and this is something that we have to bear in mind and support, obviously.

So, lowering the cost of borrowing, lowering the cost of capital: securitisation as an instrument is part of the process, but I would like to convey the way I view this. In order to be successful, there is no one instrument which will be the miracle to unlock everything, we need to act in multiple dimensions in a coherent and integrated way. At the same time, we need also to have equity for SMEs, not just borrowing from the banks. We need also to allow them to borrow from capital markets, not necessarily only from the banking sector. We need to make sure that they can easily find funds cross-border, that they can find the best proposal possible, wherever that is in the European Union. That is what the capital markets union, banking union, savings and investments union is all about. So, securitisation will help. I think it is important.

We keep referring to the US and saying that things in the US work better: they have more securitisation, they have more tech companies, they have lower costs because they have a big market. Some things need to be big. Capital markets need to be big to be efficient. And that's what we have to realise. We have to put together all our 27 capital markets into a big capital market, otherwise we will not be able to deliver.

1-0080-0000

Fidias Panayiotou (NI). – Trump won the United States elections, and European companies have been increasingly leaving to go to the United States in recent years. Why do you think this is happening? And what steps are you going to take to prevent this from happening? Thank you.

1-0081-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you for your question. Resuming what I was just saying about the previous question: companies and investors, including retail investors, are actually leaving for the US because they cannot find here what they can find there, which is a properly functioning market for anyone, for any company.

Let's think again of a start-up. A start-up which, as we we know, typically used to be two or three kids in a garage - now they're probably sitting each one in their own basement or room and linked online - but still the same three college kids with a great idea. They often find enough funds in that very first stage to develop their projects, but then they come to a point where they actually need more, and they need more to test their ideas in the market.

That requires significant funds, but not bank loans, they have no collateral to provide for those loans. They need risk capital, and there are investors in Europe who are willing to take that risk. The problem is that they cannot meet each other unless they happen to be sitting next to each other. By coincidence, in one of our more developed markets, they will not be able to meet. That is why they go to the US, because there they can meet everyone, including Europeans.

So again, I would go back to my point. There are a lot of things that need to be done, but if we want to deliver, we will need to make sure that our own financial market is big, has this scale, this depth,

this liquidity so that, no matter the entry point, we can all find the appropriate solutions within the EU. That is what is supposed to be addressed by the Savings and Investments Union.

1-0082-0000

António Tânger Corrêa (PFE). – Senhora Presidente, Senhora Comissária indigitada, a Senhora defende a necessidade de financiar projetos ambiciosos e não consensuais, como o *Green Deal* e a chamada transição social.

Como garante que a soberania de decisão dos Estados-Membros, especialmente dos mais frágeis, será respeitada? Isto é a minha pergunta.

Por outro lado, noto com satisfação que trata com equidistância e igualdade todos os deputados, o que talvez não se passe com os grupos, como se passava em Portugal durante os governos socialistas e de extrema-esquerda, em que estabeleceu um cordão sanitário no Parlamento português.

Aquilo que eu espero, Senhora Comissária indigitada, é que ajude a fazer compreender que esse tipo de atitudes, neste Parlamento que é a casa da democracia europeia, não se repitam e não aconteçam, porque nós fomos eleitos por milhões de eleitores europeus e nós não somos uma gentalha qualquer. Nós somos um partido, nós somos um grupo tão legítimo como os outros.

1-0083-0000

Maria Luís Albuquerque, Comissária indigitada. – Senhor Deputado, muito obrigada pela questão. Vou tentar responder da melhor forma sobre o *Green Deal* ou o *Social Deal*, que eu defendo.

Defendo, Senhor Deputado, como julgo também que defende a maioria dos europeus, na medida em que esses acordos foram possíveis de estabelecer com o apoio do Parlamento Europeu, que, como eu disse na minha intervenção inicial, de facto representa a voz de 450 milhões de europeus, é a *proxy* que temos da voz dos europeus e, portanto, este é um projeto comum.

Eu acredito verdadeiramente na necessidade de cumprir com aquilo que são os nossos compromissos, acredito que isso é o melhor para a Europa e acredito também que isso é perfeitamente compatível com a soberania de todos os Estados-Membros.

Os Estados-Membros estão na União Europeia de forma voluntária, decidiram aderir, mas na maior parte dos Estados-Membros há um grande apoio, esmagadoramente maioritário apoio, à pertença a este projeto comum, e eu julgo que estamos todos melhor preparados para os desafios do futuro com esta partilha de soberania, não com perda de soberania, mas partilha de soberania, através de regras comuns, trazendo benefícios para todos.

Há, obviamente, ainda muito trabalho a fazer para garantir que se reduzem as desigualdades entre Estados-Membros e dentro dos próprios Estados-Membros. Isso é um trabalho que cabe a todos nós, aos senhores deputados e também à Comissão de que, se for confirmada, eu farei parte, é um trabalho comum e, naturalmente, aos Estados-Membros no trabalho que têm de fazer.

Mas é esta partilha de soberania em nome de conseguir melhores resultados que nos tem orientado. Eu acho que o *Green Deal* é um excelente exemplo de como nós, em conjunto, conseguimos promover um futuro melhor.

1-0084-0000

Costas Mavrides (S&D). – Commissioner-designate, in your mission letter, it is stated that you should further develop a banking union to identify a way forward on a European deposit insurance scheme. This issue has already been raised by some of my colleagues, but I feel that we need some elaboration on it.

It has been more than a decade when the banking union, including the deposit insurance, was agreed but still not completed. As you rightly mentioned before, there is no level playing field in the banking sector. The risks are there. We are in good times. We have the support of this committee.

And, in fact, here are my two specific questions: first of all, do you consider the completion of the banking union, including EDIS, as a necessary condition for the Capital Markets Union?

A second question: as the ECON Committee we have adopted last April a report towards a position of a hybrid model for EDIS. You mentioned alternative ways. Are you in line with our understanding?

1-0085-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Mr Mavrides. I will not elaborate further. You are absolutely right. I think the fact that the banking union is not complete hinders the objective of having a level playing field. That is very relevant. It also makes our banking sector less resilient. I would highlight that the part which is already in place has made it more resilient. I would refer again to the turmoil we saw in some banks only last year and how the banking sector in the EU was able to weather that quite well. I think that is encouraging in the direction of travel that we need to follow, but we need to complete.

I would say that completing the banking union and the Capital Markets Union is key for the Savings and Investments Union, for bringing about different parts of the market in a coherent form to the benefit of all. They are all important and they are also important for the efficiency of monetary policy, because the whole framework, the whole design, is thought to work together. So, every step forward we make on any of these elements reinforces the efficiency, the effectiveness of all the others.

So, the more we move forward, the more benefits we will be able to see. And I think that we will come to a point where we get to a tipping point and it sort of feeds on itself and it gets easier to move ahead. But we are still, unfortunately, in a phase where we need to push harder for that to happen.

On the way to get there and on EDIS, I am not a fundamentalist. I want solutions which work. And as I said before, I respect the fact that the approach to EDIS hasn't worked so far. It's been more than a decade. So, I'm more than willing to consider, if appointed, other approaches and other possibilities that will help us get to the same result, but that can be agreed by all.

1-0086-0000

Dirk Gotink (PPE). – Commissioner-designate, well done, one hour to go.

The Savings and Investments Union is one of your main priorities, and the way we present it and its goals is quite important for its success. The question is, are we doing this for Europe or for the people that have pensions and savings accounts?

Do we do it for the banks or the pensioners, the markets or the savers? Pensions and savings are crucial for people's confidence in the future, like a house or a job. The EU does not dispose of them, and it should not speak about them as if it does.

Can you provide a more opportunities- and choices-based approach that gives people also the feeling that if we go this way, that actually their pensions and savings could improve, could get better returns on their investments.

Is that an alternative way to think about this project?

1-0087-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Mr Gotink.

Maybe it's the way I understand Europe. Europe to me is the 450 million citizens, by definition, so when I talk about moving ahead for Europe, improving conditions for Europe, making Europe more competitive, when I think of Europe, I think the 450 million people that compose Europe, because that is the meaning of Europe, the rest is just geography. It's about the people.

Maybe you are using different words, but I think we are aiming at the same outcome and the same result, and we are thinking basically the same.

When I talk about the Savings and Investments Union and the benefits, it will translate into benefits for people. Whether the people are saving for their pensions or already being pensioners, they should be protected as well.

It's also about giving them choice: 'I have my savings, I want to invest my savings, what choices do I have within Europe to do this according to my own risk profile and my horizon investment?'

It's about opportunities and choices. But opportunities and choices only happen in democratic countries and prosperous countries. We know that the lack of prosperity does undermine opportunities and choices and democracy itself, so when I defend the need to build a Savings and Investments Union, the point is exactly to contribute to have a wealthier Europe. And the wealthier Europe is a Europe where its citizens are wealthier and better off, and wealthier people have more opportunities and have better choices.

So I think we are absolutely aligned. Maybe it's a question of speech, but the reason why I do it like this is because to me, Europe is its people. All the other definitions are pointless.

1-0088-0000

Damian Boeselager (Verts/ALE). – Dear Minister, I have three quick questions for you. The first one is on something completely new, which is data trading. And during the last mandate I worked on the Data Act to clarify the commercialisation rights for data products and the real-time trading of industry data. And could you help us on this mission of creating data markets by drafting a white paper on data markets, specifically the role of stock exchanges in the real-time trading of data?

Second question, on venture capital: we have been talking about it, but what will you do concretely to make sure that institutional investors can invest up to 5% of their portfolio in venture capital? What concrete steps, next to cultural shift, can you propose? And third, just as a follow-up to my colleagues on housing: can you commit to assess legislative proposals on financial services against their impact on housing affordability, very concretely.

1-0089-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Mr Boeselager. Data is really important. I heard it said a number of years ago that it's the 'oil of the future'. There is value in data, and we know that the financial market generates a lot of data. We also know - and we've discussed it today - that we need a lot of data to implement our own decisions and our own legislation. So data is clearly a key topic.

So I would, if confirmed, be open to looking at how we can take the best of this availability of the data that we can get through markets and make sure that the economic value is not appropriated by the few, and ensure that it can be made available for the best use of all. So I would be willing to consider whatever option works to address this and to understand better what can be done on this front.

On the conditions to invest in venture capital, I think that if we want to bring private capital on board - because we know that public funds are not enough to deliver on what needs to be delivered - the role of public authorities, in my view, is facilitating and creating the conditions and potentially bringing in also some additional incentives to leverage. But how much they put into whatever type of investment will be ultimately the decision of private investors. It's ultimately their choice, returning to an expression used before, now applied to investors in particular. So it is about creating the right conditions.

On the housing affordability test, that is something that I would be willing to discuss in Council, as I said. I think it's an important issue to address, and I would hope, if appointed, to be able to help that within the financial markets portfolio.

1-0090-0000

Kristoffer Storm (ECR). – I den sidste mandatperiode så vi efter min mening alt, alt for mange byrder blive pålagt vores erhvervsliv. Alt for detaljerede rapporteringskrav med op til flere hundreder, hvis ikke 1000 datapunkter skal nu afrapporteres uden hensyn til relevansen. Selvom små og mellemstore virksomheder kan være undtaget nogle rapporteringskrav, så bliver de ofte indirekte pålagt disse gennem deres forhold med banker og andre finansielle aktører, som er underlagt Sustainable Finance Disclosure Regulation. Set i dette lys vil jeg derfor gerne stille dig følgende spørgsmål: Hvordan vil du som kommissær sikre, at vores små og mellemstore virksomheder ikke drukner i registreringskrav, som de bliver indirekte pålagt?

1-0091-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Mr Storm. That is a very valid point, which I think we should all recognise. There are too many reporting requirements.

I would like to start by saying that we need the data, so reporting is necessary. We need to have the data to be able to comply with the decisions we have made, to assess, to evaluate, to label, to categorise, however you want to say it.

Reporting is important, but we need to streamline this by making sure that there are standardised reporting models, made simpler, in particular for SMEs. Because you're right, sometimes they are affected indirectly, not only through banks but also in the supply chain because parts of the supply chain need to report on this.

So we can make it easier by standardising the reports and also using the benefits of digitalisation, because if there is the use of digital means, we can share this information, access it easily and avoid the fact that we have to be reporting the same thing over and over again.

So we do have the tools. We need to make sure that we implement them properly. That is why we will be looking at what exists and make sure that there is more sharing of information, even between public authorities, and to make it standardised, simpler and to have a digital tag that makes it easier to be machine readable and to be made more easy to use and to report on.

I am very much aware of the need to act on this and, if appointed, I commit to look this into this as a matter of priority. It is really important that we do this right.

1-0092-0000

Gilles Boyer (Renew). – Je crois que nous partageons tous ici l'idée que les banques européennes vont jouer un rôle essentiel dans le financement des différentes transitions que l'Union européenne devra accompagner. Je crois que nous partageons aussi deux objectifs qui sont parfois difficiles à concilier: d'une part, vous l'avez dit, la stabilité de notre système financier et sa résistance aux crises; et, d'autre part, la préservation de l'accès au crédit, en particulier pour nos PME et pour les ménages européens, et la compétitivité des banques européennes au niveau mondial. Je voulais savoir quel était, à votre avis, le juste équilibre entre ces deux objectifs? Autrement dit, est-ce que nous pouvons être les seuls à appliquer les accords internationaux à 100 %?

1-0093-0000

Maria Luís Albuquerque, Commissioner-designate. – It is a difficult balancing act, I give you that, because where do we put our priorities? And I think that, in the end, financial stability has to prevail as the goal.

As I said before, when we lose financial stability, we'll lose everything else. There is no way that, after a deep financial crisis, companies remain competitive; jobs are lost, companies go bankrupt, banks go bankrupt, everything comes crumbling down. And I know because I've seen it, I've seen the impact of that, how people suffer, how difficult life then becomes. So financial stability is something that we cannot compromise on.

But there are ways of doing this more efficiently. So, even if it is a balancing act, which I admit it is, I think we can find the right balance by not participating in what was just called today a 'race to the bottom'. Lowering the standards is not the way to go. There is maybe an illusion of increased competitiveness, but it is only that. I think that it is clearly not the way to go. And honestly, I am not persuaded that will be the route followed by our main international partners.

We have already decided, by the way, to delay for one year a part of the Basel III package, the fundamental review of the trading book. So, we need to be attentive on how to calibrate the moves, but the intention must be to fully implement the standards. I believe that our international partners will, in the end, also follow that route because it is in their best interest as well and we can expect them to act according to their best interest.

1-0094-0000

Ewa Zajączkowska-Hernik (ESN). – Szanowna Pani! Dużo mówiła Pani o ochronie sektora małych i średnich przedsiębiorstw. W kwietniu 2024 roku Parlament Europejski na samym końcu poprzedniej kadencji, z niską legitymizacją społeczną, przyjął przepisy uniemożliwiające płatności gotówką w przypadku transakcji powyżej 10 tysięcy euro. Zakaz wejdzie w życie w 2027 roku.

Dodatkowo planowany jest zakaz weryfikacji transakcji indywidualnych powyżej kwoty 3 tysięcy euro. Może to wydłużyć czas zakupów i zwiększyć koszty działania firm handlowych.

Powyższe regulacje godzą też w wolności obywatelskie mieszkańców Unii Europejskiej. Wprowadzają ograniczenia w kolejną sferę życia i ingerują w sferę prywatności – zakupy indywidualne w całej Europie. Jakie jest Pani zdanie o wprowadzeniu zakazów dotyczących transakcji gotówkowych? Jakie zagrożenia widzi Pani związane z wprowadzeniem cyfrowej waluty? I proszę nie mówić, że to nie są Pani kompetencje, bo zakładam, że rozmawiacie z innymi komisarzami zajmującymi się sektorem finansowym w Unii Europejskiej. No chyba że nie rozmawiacie, to wtedy jest problem.

1-0095-0000

Maria Luís Albuquerque, Commissioner-designate. – So, on the adopted rules and the issue of cash, I would like to reaffirm what I said before: people have the right to use cash, so I would be strongly against abolishing cash. That being said, cash is being used less and less, and the introduction of limits on what can be paid in cash is not about limiting people's freedom; it is about compromising on other also important goals, like money laundering. If one can pay for whatever transaction in cash, whatever the value, that makes it more difficult to actually have appropriate controls on money laundering, and behind money laundering, there are terrible crimes being committed. Human trafficking, child abuse, all the kinds of crimes involved in drug traffic. And we need to have measures in place to allow us to actually address the money-laundering risk. So, we find compromises between different and sometimes conflicting objectives. And I think that the solutions that we have come to so far are reasonable, even because there is also legislation to guarantee that every citizen has access to a bank account at low or no cost. So it's not an additional cost, but it is a compromise necessary to make sure that we also preserve other objectives.

Again, on the digital currency, it's the need to address a market innovation trend. It is not in the sense of impeding people from using cash, but if people want to use a digital currency, then we should and could probably have it as well.

1-0096-0000

Regina Doherty (PPE). – Chair, Ms Albuquerque, retail investment participation in the capital markets has been traditionally lower than it has in order jurisdictions, particularly the US, even though Europeans have buckets of money in their savings accounts.

We need to change that and turn them from savers into investors, and one of the Commission's key objectives is to make the EU an even safer place for people to invest: improving digital literacy, giving people more confidence to be able to trust the capital markets.

One of the recent strategies for this was the retail investment strategy. However, I think many elements of the retail strategy went too far and made the capital markets' access more complicated rather than facilitate the access to it.

So I ask you specifically: how are you planning to design a Savings and Investments Union that not only strengthens the capital market for businesses, but also creates a mechanism for investors as individuals?

How do you plan to balance the investor protection with the objective of facilitating access to the capital markets please?

1-0097-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Ms Doherty. You are right: retail investment is too low for many different reasons. One is low levels of financial literacy, which is something that we also need to continue addressing. There is a lot of good work done on that by my predecessor – if appointed obviously – Ms McGuinness, that I would like to build on. But there is a lot to be done on that front because the best way to protect retail investors is to give them the tools to interpret information. It's not just giving them the information, it's giving them the tools to make judgements for themselves. That is financial literacy: helping people understand because people then have the right to choose risky investments or whatever. The point is that they should be able to make those choices in an informed way and in that sense also be protected from scam, fraud, abuse.

And we need to take both things. So, we need to have a proper protection framework in place, and I think that the EU does have a very robust consumer protection framework in place, but we also need to give people the tools to make the choices they want to make and their own freedom to decide.

On how to design a product for retail, as I said before, I think we should understand why the existing products, mechanisms and frameworks are not working. There is an element of culture because people are used to putting their money in the bank. Then some take the money out of the bank and actually buy real estate, which is part of the problem. There is a cultural element here, but there is also an element of not enough supply in the market of attractive products. If appointed, I would like to understand why, where is the problem exactly, so that we can address it either on existing products or when designing new ones.

1-0098-0000

Jussi Saramo (The Left). – To scale up sustainable finance without greenwashing needs private financial institutions to be mobilised and subject to robust regulatory standards. In this regard, the current EU regulator has, however, proven insufficient, with many funds labelled as sustainable still investing in fossil fuels. Indeed, European investments are not going in the right direction, and financial institutions go against the climate neutrality targets set by the EU. Major banks like JP Morgan have been disclosing information for years, but are still leading in terms of finance provided to polluting companies.

In concrete terms, how do you plan to address the greenwashing in finance and steer investments towards a truly green and sustainable direction?

1-0099-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Mr Saramo. The risk of greenwashing is real, and I think I mentioned this earlier today: the fact that the framework is being used as a pseudo-label regime. I think it was Ms Wolters who brought it up. And it is true; we know that this is happening. That is why we need to address that problem and make sure it doesn't happen, so that when a financial services product is labelled 'green', we know that it does comply with minimum standards of sustainability to be appropriately labelled as 'green'. And again, not just green, but greening in the sense that it is transitioning to become green and to become sustainable. Because – and I'd like to highlight this again – we need to help our corporate sector to transition. We cannot only focus on those who have transitioned, because there are not enough of them yet. We need all the others to be also on board, and we need to look into that.

But we need to address the framework, the way it's being misused, by creating a proper categorisation system, so that when one markets or one buys a product labelled as 'green' or 'in transition to green' – potentially with a different scale – that people and companies know exactly what is being marketed. That is an issue that has to be addressed because the last thing we want is greenwashing. If we take the objective of sustainability seriously, then it has to be really sustainable, not just have a coat of green paint. It needs to be green on the inside or become green over time.

So I'm fully aware of those situations. And if appointed, I assure you that I would address this to avoid the greenwashing that I think we are seeing in the markets, and which is not acceptable. It is not in line with the goals that we have.

1-0100-0000

Anna Cavazzini, *Chair of the IMCO Committee*. – Hello, Commissioner-designate. Consumers were mentioned several times today. And of course, the topic is also very dear to my committee members' hearts.

Financial services are increasingly marketed on social media, often through influencers. And there have been instances in Member States, especially in relation to cryptocurrencies, where influencer marketing practices have been misleading consumers through advertising certain financial services products on social media platforms without informing about the risk for consumers.

So, do you plan to assess the influencer marketing practices on social media platforms promoting financial services and the need for possible action in this regard, including in the context of the upcoming financial literacy strategy? And what measures, including legislative actions, do you need to take to address this problem and to ensure that there is a well-functioning single market for financial services?

1-0101-0000

Maria Luís Albuquerque, *Commissioner-designate*. – This is an important topic. I think we are increasingly hearing about social media for many different reasons, usually around the problems that it raises. So this is an additional one. And having financial products being marketed – there are actually a lot of other problems arising, health issues, and it's not specifically a financial sector problem, but obviously in the remit of my portfolio, if appointed, it would be on the financial sector – this is some risk which exists and I think I believe it needs to be addressed.

That being said, part of it is about financial literacy, because better-informed people will be able to make better decisions and not be easy prey for this kind of marketing. But we also need to act on different fronts and I would, if appointed, cooperate with the Executive Vice-President for tech sovereignty – sorry, I'm missing the rest of the title, but, you know, Commission Vice-President designate Virkkunen – on this topic because it is in her portfolio mostly – not alone, but mostly – to see how we can address this.

There's also the issue of children or very young people below the legal age actually accessing this kind of products, this kind of content. And that needs to be addressed as well. We need to make sure that the digital evolution, which brings amazing opportunities, has to be met by the appropriate risk management and risk mitigation. This is about finding the solutions. I am aware of the issues. I cannot tell you at this precise moment what measures would be implemented, but I can commit that, if appointed, I will address this issue with the relevant other Commissioners and the College to see what we can do about it.

1-0102-0000

Marina Kaljurand, *Vice-Chair of the LIBE Committee*. – On behalf of the LIBE Committee, Madam Commissioner-designate, I would like to ask about the new anti-money laundering authority (AMLA). How will you ensure that it will be set up quickly, operates efficiently and has sufficient resources to carry out its tasks?

Also, which measures do you intend to take to ensure the close and effective cooperation of AMLA with EU Justice and Home Affairs offices and agencies, namely EPPO, Europol and Eurojust.

Also, how do you plan to align the AMLA future efforts with the upcoming broader EU counter-terrorism strategy, particularly when addressing the financing of terrorism?

My final question is, what opportunities and risks do you see in using artificial intelligence for improving fraud detection?

1-0103-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Ms Kaljurand. I am actually very happy to see the decision to create an European authority on anti-money laundering. The nature of this type of criminality is, by definition, cross-border, so I think this is a clear case where having a European authority can deliver better results.

But that being said, obviously it takes time to set up such an authority, to give them the appropriate means – staff, resources, systems. When it comes to IT requirements, this is huge and very, very, very demanding. So there is the investment that needs to be done there. The Commission is already considering the value, in terms of the budget to bring that about. The current estimates seem to be sufficient to make sure that it works effectively.

The very nature of financial crime requires a lot of cooperation with all the entities you mentioned within the EU, but also with international partners. The effectiveness of AMLA will depend a lot on how it can build on the existing financial intelligence units in the different Member States, because they are the ones on the ground, they are the ones who have the information. They themselves have important links with other jurisdictions.

So we need to bring everyone on board and have this European entity, which will still take a couple of years to be fully operational, but it will need to count on the loyal, transparent cooperation of all involved, including international agencies as well.

On the opportunities and risks for AI, there are risks, obviously. There are a lot of opportunities to use AI not only for fraud detection, but also to improve the necessary cooperation and exchange of information.

1-0104-0000

René Aust (ESN). – Meine sehr geehrten Damen und Herren! Vor einigen Jahren haben LKW-Fahrer in Kanada ihren Protest ausgedrückt gegen die Coronapolitik des Herrn Trudeau. Daraufhin wurde ihnen aus politischen Gründen der Zugang zu ihren finanziellen Mitteln, zu ihren Konten gesperrt und verweigert. Auch aus solchen Erfahrungen heraus ist es für viele Millionen Europäer zunehmend zur Sorge, dass Sie versuchen, mit dem digitalen Euro möglicherweise auch das Bargeld zu ersetzen und ihnen den Zugang dazu zu verwehren. Meine Damen und Herren, deswegen frage ich Sie heute ganz offen und ganz direkt: Sind Sie bereit, hier und heute in aller Öffentlichkeit zu schwören, für sich und für die Kommission, dass Sie jedem Versuch, das Bargeld abzuschaffen,

entgegengetreten werden und dass Sie jedem Versuch, das Bargeld abzuschaffen, nicht nur entgegengetreten werden, sondern auch dafür eintreten werden, dass dieses Stück geprägte Freiheit uns erhalten bleibt?

1-0105-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Mr Aust. Yes, I can reply quite directly to your question. Yes, I would resist abolishing cash as long as there are citizens in the EU who find that using cash is important. Again, balancing different situations that we need to address. But I think that people should continue to be allowed to use cash. But what we see is that the use of cash has actually been diminishing and we see other payment methods.

The digital euro could also be used as a payment method, so it should be seen as an addition in my perspective. And again, it is not under my portfolio, so I should not speak too much about what it is, but the way I see the digital euro, it's an addition and not a substitution. So if the digital euro is actually implemented, it will be an additional form of money, not to replace cash, but indeed many people across Europe are no longer keen on using cash. They prefer to use digital payment means, mobile payment systems. They prefer other forms to make payments and to move their money around. So I believe that we should cater for the different options, and the significant rhythm of innovation in this sector might make it interesting, advisable, positive again. It is not in my portfolio, but I wouldn't see it as a threat because I don't see it as a replacement, but as a complement to what exists and also accompanying times, the evolution and innovation, and also the preferences of people across Europe.

1-0106-0000

Pasquale Tridico (The Left). – In recent years, the ECB significant interest rates have led the eurozone banks to benefit from higher deposit rates while passing only modest increases to households and businesses. This has resulted in substantial profits exceeding more than EUR 100 billion, with a similar level expected in 2024.

Banks have also profited from trillion in excess reserves earning interest rates, which some argue amount to a gift from the euro system to central banks.

What is your position on this windfall profit, both from the deposit rate and the excess reserve? And how do you view the unequal distribution of profit across Member States, particularly the advantage to banks of big Member States? What measures do you propose to ensure ECB policies do not disproportionately benefit certain banks or increase inequality among the eurozone.

1-0107-0000

Maria Luís Albuquerque, *Commissioner-designate*. – We have seen, due to the change in monetary policy, that banks profits have been increasing. We see that across Europe with different impacts depending also on the size of the banking systems themselves.

So going back to something that I kept saying today, we need to create a banking union to make sure that this unlevel playing field, which still exists, which is the fact that a bank critically depends on the place where it is established, the Member State, where it is established, if we have a banking union, then that would not be the case anymore. So the benefits for banks would be better distributed and therefore hopefully the benefits also to their clients.

That being said, the monetary policy does introduce these significant changes into the profile of bank profits, but they have had big profits recently. They had huge losses in the past. They have

been also required to increase significantly the capital levels. So, the only thing I would say is that, when looking at the sector, we should take maybe a bit of a broader picture of what exactly it means.

But you are right when you say that there is still not a level playing field in Europe, because the market fragmentation is persistent, including in the banking sector and that prevents the creation of a level playing field and actually prevents that decisions taken by the ECB will have a uniform impact across the eurozone. We need to address that part of the fragmentation, though we need to do a lot more as well.

1-0108-0000

Marie Toussaint (Verts/ALE). – Madame Albuquerque, si je peux me permettre, vous semblez un peu avoir l'argent magique. Mario Draghi nous dit que nous avons besoin de 450 milliards d'euros pour assurer la seule transition énergétique, et vous nous dites que le marché des capitaux va tout résoudre sans nous expliquer comment, tout en nous disant que les acteurs privés financeront finalement ce qu'ils veulent.

Dans le même temps, on a des banques, des acteurs financiers qui échappent à toute régulation sur la déforestation, sur le travail forcé ou encore sur le devoir de vigilance, et qui continuent à financer ces activités, par exemple BNP et la déforestation, AXA et les énergies fossiles, ou KBC et le travail forcé des Ouzigours. Nous n'avons donc pas d'argent pour les activités vertes et sociales, mais par contre on continue de dépenser des sommes colossales pour détruire la nature et les êtres humains.

J'ai trois questions. Un: allez-vous enfin soumettre les acteurs financiers au devoir de vigilance dans l'ensemble des secteurs? Deux: quand comptez-vous modifier le règlement sur la publication d'informations en matière de durabilité dans le secteur des services financiers (SFDR)? Et trois: quel canal exactement allez-vous créer pour faire en sorte que le marché des capitaux finance l'économie réelle et la transition écologique et sociale? Et pouvez-vous nous assurer qu'ils ne financeront pas les activités écocides?

1-0109-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Miss Toussaint, I think even the translation found it a bit difficult, I was trying to write it down.

Let me clarify something: the capital markets will not solve everything, and that is not what I meant and I'm sorry if that is what anyone understood.

The capital markets are an important part of the solution, but it takes more and also, to be fair, it will take time, even if we do everything right, starting now, it's going to take time because it's not a switch. It's not something that we can say: 'now it's on'.

No. It takes time because we need to get the changes to be on the ground, we need to have market participants buying in, getting involved and understanding the change. So even if we do everything right, and I do hope, if confirmed, to make significant steps in that direction, it's going to take time, so we need to have realistic expectations on delivery.

But I also believe that without the deepening of the capital markets, we have no fair chance of getting there: not to finance the transition, not to keep funding for green activities, not to support the companies becoming green.

As I said before, we need to address the fact that in some cases there is greenwashing. I think we all can admit that there is greenwashing, so what we need to do is put the necessary measures in place to make sure that that is prevented and to make sure that the framework is appropriately used, and we need to change it accordingly to guarantee that outcome.

So the capital markets should really benefit us all, but it's part of a bigger picture that we should also consider.

1-0110-0000

Billy Kelleher (Renew). – You say in your replies to written questions that you want to introduce transformational change to be realised within five years around the issue of the capital markets union and the savings investment union. With that in mind, and looking at the Draghi report and the obligations for us to spend massive sums of private capital in transitioning the European Union, enhancing our competitiveness, digitisation and the Green Deal, what role do you see for third countries passporting funding into the European Union?

I reference predominantly the UK and London, in view of the fact that we will need huge sums of capital. Are you happy with the workings of the Trade and Cooperation Agreement, the Memorandum of Understanding, and whether or not equivalence is working to the point where capital can flow easily from third countries, particularly the UK, into the European Union, to assess our challenges around funding the Draghi report and ambitions in it?

1-0111-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Mr Kelleher. You're absolutely right. It is evidenced in the Draghi report, but I think it's something we all know. Mr Draghi's credibility brings new weight to the topic, but we all know that we really need private capital. And we need private capital because we have very ambitious objectives. But we also need private capital because we don't want it to be generating revenues or wealth elsewhere.

So the role of third countries is important. The way I see the savings and investments union – this big deep liquid market – it would also attract third-country investors, obviously. Money is, more than ever, mobile. It goes where it finds the best opportunities. And that is true for the big investors. But it is also true for the smaller investors. People follow the best opportunities they can find.

So if confirmed, my aim would be to help build those best opportunities here in Europe, because there is nothing fundamental preventing that from happening in Europe. It's about our common will and our ownership of the need to address the persisting fragmentation that would allow that outcome to be reached.

On the question about the agreement with the UK: the UK is a very relevant partner and I would say that it is extremely important that everything that has been agreed will be met and complied with. And I hope also that we can continue to develop this relationship with a very close partner and, not so long ago, a member of our own European Union family.

1-0112-0000

Stephen Nikola Bartulica (ECR). – Thank you. Ms Albuquerque, good morning.

I first want to thank you – I'm here – for clearly stating that cash will remain a protected means of payment. Many people in Croatia will be relieved to hear that.

My question relates to an emerging trend called 'de-banking'. There's been some talk about greenwashing, but my question refers to the emerging practice of some banks, which are treating clients and making decisions based sometimes on ideological grounds, not solely on business grounds. One example of this is how they apply climate transition criteria.

What will you do to prevent this from happening, and potential abuses of power by banks?

1-0113-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Mr Bartulica, I think that the best defence we have would be competition.

It is a client's prerogative to change bank, to go to another bank. So if we have a competitive landscape of banks providing services, clients would be able to go to where they would find the best treatment and the best conditions.

That being said, there are rules that banks need to comply with, and I would be willing to look into concrete examples where that is not being made and also highlight or point it out to the relevant supervisors who, by the way, I'm sure are paying attention to this, because this is a serious issue.

I think in general, having a more competitive banking sector – which also depends on the completion of the Banking Union and having banks' activity cross-border – would be very relevant and that would allow people to choose banks according to their own preferences, and they would go to where they would feel best treated.

But I would also, if appointed, keep an eye, obviously, on evidence that there is some sort of abuse or mistreatment and obviously would also call the attention of supervisors if it was the case.

I'm not exactly familiar with the situation you raise here, but I think having a more robust and more competitive banking system would probably be the easiest way to address this, because people would have choices and would simply choose a different institution to get their services provided.

1-0114-0000

Enikő Győri (PSE). – Commissioner-designate, it was clear from your presentation that financial stability is important for you and I hope it's important for every corner in the EU, even in Member States where weak foreign banks are present through their subsidiaries.

My question is about the 'home/host' bank issue. Do you agree that home banks should ensure stability of their affiliates, even in host countries, by holding sufficient level of capital and liquidity in their subsidiaries? And how are you planning to achieve that?

And two, quick reactions on what you have said in your earlier answers, you were mentioning the convergence of supervision on CMU. Can I be sure that this will not lead to an over-centralisation of the supervision?

And among the barriers to dismantle, you mentioned taxation of savings, saying that more harmonised tax treatment would be needed. It was a bit frightening to me. Taxation is not in your competence. But still, can we be sure that taxation is a national competence and will remain so?

1-0115-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Ms Győri. So let me start maybe by this last point to clarify if there was any misunderstanding.

The different tax treatments are a very important part of the issue of fragmentation across national borders. It is what it is. You're absolutely right. It is not in the Commission remit, but it is still an issue that should be addressed and we should find solutions which work and we cannot ignore the fact that the different tax regimes and sometimes procedures – sometimes it's only about procedure, we see that with FASTER, the initiative which was approved to harmonise withholding tax procedures. So there are non-double taxation treaties in place among every single Member State. And in practice, people have to pay taxes twice sometimes due to procedures.

So, there's a lot which can be done, not directly by the Commission, you're right. But hopefully if appointed I can try and persuade Member States to move in the right direction when it comes to taxation.

On the 'home/host' issue, that is a very relevant point. And that is also why, again, we need to complete the banking union and to have appropriate backstops also to assure that the 'home/host' issue is properly addressed so subsidiaries in different Member States would not find themselves in a difficult position because the home bank would be pulling all the resources.

So, completing the banking union is also important to address that issue. We need something that functions seamlessly across borders in the banking sector and we want those services to continue to be provided because they are important for people in home and host countries as well.

1-0116-0000

Francisco Assis (S&D). – Senhora Comissária indigitada, fazemos parte de famílias políticas diferentes, temos filiações programáticas bem distintas e, no passado, tivemos divergências profundas, o que é natural e faz parte do debate democrático.

Mas, neste momento, estamos num tempo e num lugar distintos e penso que temos obrigação de compreender isso mesmo.

E, por isso, a pergunta que lhe vou fazer tem que ver com a questão a que atribuímos muita importância e que tem que ver com os modelos de supervisão e regulação do sistema financeiro.

Os modelos em vigor não surgiram do nada, eles foram o resultado de uma gravíssima crise financeira que gerou uma gravíssima crise económica e social, como nós portugueses bem sabemos.

E verificámos nos últimos tempos que, de uma forma clara, por vezes, outras vezes de forma mais silenciosa, tem vindo a fazer o seu caminho um discurso que apela a um retrocesso em matéria de regulação.

E a questão que lhe ponho é esta: considera ou não considera importante manter este caminho no sentido de garantir uma regulação exigente dos nossos sistemas financeiros?

1-0117-0000

Maria Luís Albuquerque, *Comissária indigitada*. – Senhor Deputado, apesar das nossas divergências passadas, saudáveis divergências de visão política, mantemos uma relação cordial e de respeito que julgo que é de ambas as partes.

O ponto que coloca é importante e eu gostaria de aproveitar a questão que me coloca para reforçar aqui. Eu não defendo desregulação, eu não gosto sequer da palavra desregulação. Desregulação foi o que originou a crise financeira que vivemos há mais de uma década, que depois se transformou numa crise de dívidas soberanas.

É verdade que o setor financeiro, pela importância que tem, pelas consequências que os seus falhanços trazem, tem de ser regulamentado, tem de ser fortemente regulamentado. A natureza das atividades assim o recomendam.

Aquilo que eu acho também é que a regulamentação deve ser adequada, deve ser bem calibrada e eu acho que aí nós, de facto, temos muito trabalho a fazer a nível da União Europeia.

Há excesso de burocracia, há inconsistências, há sobreposições, há encargos que estão a ser impostos sobre as PME, sobre instituições mais pequenas, às vezes até sobre os cidadãos, e que são desnecessários para os objetivos que nos pretendemos atingir.

Eu quero acreditar que nós não estamos a falar de coisas diferentes, estamos talvez apenas a utilizar uma linguagem diferente, nós queremos que as coisas funcionem. Do meu ponto de vista, para que as coisas funcionem adequadamente, a regulação tem de continuar a existir, ser forte, ser bem vigiada, ser bem implementada, mas temos de fazer isto de uma maneira muito mais eficiente do que temos vindo a fazer no passado.

Atingir os objetivos, minimizando os custos.

1-0118-0000

Michalis Hadjipantela (PPE). – Last question of a long morning: legislative texts adopted by Parliament and the Council may empower the Commission to adopt measures to detail, amend or implement the provisions of the main act in the form of delegated acts.

In the area of financial services, EIOPA – the European Insurance and Occupational Pensions Authority – and ESMA prepare the drafts of such measures. These measures bring a huge number of legal texts that increase a lot of compliance for all kinds of financial service companies, which can also be particularly burdensome for smaller countries and economies, such as my country, Cyprus. Sometimes those texts even go beyond the mandate given by the legislator. The same is true for the so-called Level 3 measures, such as guidelines or Q&As.

Can you commit yourself here and now to reduce the compliance costs stemming from Level 2 and Level 3 measures? Can you assure they will not accept ESMA's draft when they do not respect the proportionality principle? Can you commit yourself to make quality controls on proposals to ensure that they pass a cost-benefit analysis?

1-0119-0000

Maria Luís Albuquerque, Commissioner-designate. – Thank you, Mr Hadjipantela. A significant part, given the implementation from Lamfalussy in 2001 – if memory serves me correctly – this has been the legislative procedure. So we have Level 1 agreed among the co-legislators, and then the details are further defined on Level 2 and then on Level 3, and that, within the financial sector, does include a very significant work from the agencies, from EIOPA and ESMA, as you mentioned.

It is obviously up to the Commission to guarantee that whatever is decided or is implemented on Level 2 fully respects the agreement on Level 1. So, if appointed, I can commit to make sure that it

happens. Also, I think that when we look at Level 2 in particular, also Level 3, but in particular Level 2, there is plenty of opportunity there to deliver on the simplification goals that we have, to deliver on the need to make things easier, more proportionate.

Proportionality is important. We should implement requirements according to what is proportionate for each type of activity, for the size of the companies, and on Level 2, given that there are a lot of delegated acts to be decided upon, due to the recent approval of Level 1 legislation, we will have an opportunity there to define priorities, to streamline, to make sure that what we propose is proportionate.

If appointed, I will keep a very close eye on that to make sure that we deliver on that. It is extremely important that we get it right through all the legislative process.

1-0120-0000

Aurore Lalucq, *Chair of the ECON Committee*. – Thank you to the Members for their questions, and thank you, Ms Albuquerque, for your answers. I will now give you the floor for your closing statement, for five minutes.

1-0121-0000

Maria Luís Albuquerque, *Commissioner-designate*. – Thank you, Madam Chair. I would like to start by thanking all for the questions. I hope I have been able to reply to those questions, giving you the information you wanted. If appointed, I would be looking forward to working with you for the next five years, as I think there is a lot that needs to be done. So let me just conclude by sort of wrapping up on the messages that I have been trying to convey throughout this hearing.

Going back to the expression that I really like, the savings and investments union, because it is the possibility of everyone – and I mean actually everyone: the retail investor with only small savings, the institutional investor, the pension fund, the asset manager, the insurance company, the banks, everyone, the corporate sector, scale-up companies, start-up companies – would find the right counterpart, the right opportunity under this umbrella of the savings and investments union. All consumers would also be protected under this umbrella with our legislative framework.

So it is this vision that I have, and I would also like to say that we talked a lot about this today – about competitiveness. But competitiveness, to me, is more a means than an end. The end is prosperity. This is what we want to deliver. That is why my idea of Europe is the 450 million citizens of Europe. We want to deliver prosperity. We want people to live better. We may have different perspectives on how to get there, and that is part of democracy. But that is, I think, what we really want to deliver and we want to do this in a sustainable way. Sustainable from all perspectives: sustainable from the perspective of the being climate-neutral by 2050, sustainable also from the social perspective, making sure that all this is done according to our European values, because it is the European values that actually bound the soul together despite our differences. That is why we are all together in this magnificent project of the European Union, despite its shortcomings. It's still really extraordinary how far we have managed to make it. I think also that the goal of simplification and burden reduction is really very, very important.

We need to make sure that our legislation is fit for purpose – because if it's not, there is no reason why it's there. So I'm hoping that we could work together, if appointed, to deliver these goals, which is a shared goal across all the College. And I would very much like to contribute on the financial services part to this shared goal. All this obviously being made in such a way that financial stability is always preserved, so I would hope that we wouldn't even need to talk or discuss financial stability. It would just be there and we would be free to discuss other things. So financial stability is a

prerequisite, and I would wish that we wouldn't have to address financial stability on its own in any specific terms, because when we do get there, it means that we have already passed the point, which I wish we hadn't.

So, to conclude, I would thank you again for your time, for your interest, for your engagement in the process also ahead of the hearings, where I had the opportunity to meet with many of you and also some other MEPs who are not here today, and I now put the decision in your hands and hopefully I will be able to see you again and to work together. Thank you so much.

1-0122-0000

Aurore Lalucq (S&D). – Thank you, Commissioner-designate. Let me close the confirmation hearing and inform you that the evaluation meeting will be held in camera shortly afterwards, and a brief press point will take place now, outside of the meeting room.

Thank you so much to all the members of the ECON Committee, the invited committee and to the Commissioner-designate.

1-0123-0000

(The hearing closed at 12:10)