

COM (2013) 615

Proposal for

A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON

Money Market Funds

Executive Summary

The Romanian Parliament's Chamber of Deputies adopted a final opinion regarding money market funds as described in COM (2013) 615. The following paragraphs will showcase the main points raised and discussed in the debate.

The Chamber of Deputies acknowledges this Communication for its proposed regulation regarding money market funds to improve their liquidity levels and stability. Moreover, it salutes the fact that it aims to protect the EU citizens by protecting investors and by limiting contagion effects on all other European capital markets and by consolidating financial stability in the internal market.

The Chamber of Deputies supports this initiative because it will provide a mutual set of standards for increasing liquidity and for ensuring its structure stability. It will also heighten its robustness to decrease to a minimum the effects of a possible future crisis. Money market funds have a central role in short-term lending for numerous entities such as banks, corporations or governments, and massive withdrawals could have much larger macroeconomic consequences.

The Chamber of Deputies considers that, as proposed, action at the European level is necessary and comes as a supplement and clarification to the existing legislation regarding investment funds. It is also necessary to create a single regulatory framework to cap cross-border contagion associated to these financial instruments. Through this Regulation, member states will have a better coordinated and integrated system of monitoring and cooperation and will be able to act more efficiently at an European level regarding information sharing.

The Chamber of Deputies believes that adopting the proposed regulation will have positive effects by increasing liquidity and stability for local investors and by increasing competition regarding capital collection as an alternative to a bank deposit through increased credibility and better yields. By diversification of the financial instruments, Romania will have closer qualities with those of a mature financial market.

Taking everything into consideration, especially the fact that the proposed regulation intends to tighten the internal market through an action at the EU level, the proposed regulation is in accordance with the principle of subsidiarity.