



EUROPEAN COMMISSION

*Brussels, 9.8.2019
C(2019) 6075 final*

Dear President,

The Commission would like to thank the Senato della Repubblica for its Opinion on the proposal for a directive of the European Parliament and of the Council on credit services, credit purchases and the recovery of collateral {COM(2018) 135 final}.

It appreciates that the Senato della Repubblica decided to analyse this proposal and welcomes the support for its aims; it also takes note of the Senato's doubts and suggestions to the extent that they can still be addressed during the legislative process.

In relation to the condition of the Italian banking sector, the Commission recognises the substantial progress made in reducing the stock of non-performing loans (NPLs). It notes that this was facilitated by the development of the secondary market for impaired loans and a series of sales and state-guaranteed securitisations. It points out however, that the legacy stock of NPLs remains high in absolute terms and in comparison to EU peers, which justifies the need for continued and ambitious efforts in this area, both via an improvement of the internal work-out mechanisms of banks and an acceleration of NPL disposals where appropriate, while maintaining a satisfactory level of capital.

The Commission believes that the political dialogue with national Parliaments is essential for linking the institutions and the citizens of the European Union, and looks forward to continuing it with the Senato della Repubblica in the future.

Yours faithfully,

*Cecilia Malmstrom
Member of the Commission*

*Ms Maria Elisabetta ALBERTI CASELLATI
President of the Senato della Repubblica
Piazza Madama, 1
IT – 00186 ROMA*