

**Minutes**  
**of the meeting of the Financial Affairs Committee**  
**held on Thursday 18 April 2024, 1:30pm-4:00pm**  
**Representation of the State of Hessen to the**  
**Rue Montoyer 21, 1000 Brussels**

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**Participants:**

Cariboni Mario (Germany)  
Dahlmann Germaine (Germany)  
Dörr Thomas (Germany)  
Eichwede Rainer (Germany)  
Grebler Gerhard (Germany)  
Großhauser Sven (Germany)  
Guthmann Axel (Germany)  
Hain Lars (Germany)  
Haslmaier Oliver (Austria)  
Horrmann Henrick (Germany)  
Jauernig Claudia (Austria)  
Jungkurt Frank (Germany)  
Kállay Gergely Peter (Hungary)  
König Christian (Germany)  
König Sabine (Germany)  
Lentsch Michael (Germany)  
Lesemann Max (Germany)  
Masuch Sabine (Germany)  
Dr. Martell Christian (Austria)  
Marx Carsten (Germany)  
Nilsson Svenja (Germany)  
Paltin Marcel (Germany)  
Parthé Isabell (Germany)  
Poos Marc (Luxembourg)  
Riemer Jens (Germany)  
Safadi Felix (Germany)  
Redouane Sedrati (Slovakia)  
Weinrich Mark (Germany)  
Wunderlich Frank (Germany)

**Secretariat:**

Sophie Menzel (Belgium)  
Pfenning Jonathan (Belgium)  
Reiner Pierre (Belgium)

**Minutes:**

Pfenning Jonathan (Belgium)

**Guest speakers:**

Mr Andreas Glück, Member of the European Parliament

Mr Ali Erbilgiç, Policy Expert at the European Banking Authority

Mr Christof Bischofberger, Policy Officer at the Office of Dr Othmar Karas, Member of the European Parliament and First Vice-President of the European Parliament

Mr Tommy de Temmerman, Deputy Head of the Policy Planning Unit of DG FISMA, European Commission

### **ITEM 1: Welcome**

Mr Pfenning (EFBS) welcomed the participants of the Financial Affairs Committee and opened the meeting. The agenda was adopted. The minutes of the Financial Affairs Committee of 20 October 2023 were adopted. Ms Bernadette Seehafer (Head of department, Affairs of EU financial market policy) welcomed EFBS members in the name of the State Representation of the Hesse.

### **ITEM 2: Revision of the Energy Performance of Buildings Directive (EPBD): Overview of the progress and outcome of the legislative process**

Mr Pfenning introduced **Mr Andreas Glück**, Member of the European Parliament. Mr Glück is a German liberal MEP and active in the European Parliament since 2019. He was working in the ITRE Committee on the EPBD. Mr Glück runs again in the 2024 European elections.

Mr Glück presented the Revision of the Energy Performance of Buildings Directive (EPBD) which is finalised now. Mr Glück gave valuable insights in the negotiation process both in Parliament but also within the Council of the EU. Mr GLück argued for an approach which treats different technologies equally and which is not focused on hard regulatory requirements. Furthermore, he stressed the importance of the enlargement of the Emissions Trading System (ETS) on the building sector on a European scale as the right tool to steer developments within a market based approach.

### **ITEM 3: EBA report on green loans and green mortgages: Results of the evaluations on behalf of the European Commission**

Mr Pfenning introduced **Mr Ali Erbilgiç**, Policy Expert at the European Banking Authority (EBA). Mr Erbilgiç was the person who within the EBA work on the European Commission's Advice on green loans/ green mortgages.

In November 2022, the European Commission sent the EBA a Call for Advice on green loans and mortgages and gave the EBA one year to work on the subject. In the Call for Advice the Commission asks the EBA to examine current market practices and the prevalence of green credit and to propose measures to promote access to green finance, in particular for retail customers. More specifically, the EBA has been tasked with proposing specific criteria for an EU-wide definition of green loans by the end of 2023. The EFBS had already submitted recommendations for the definition of green loans to the EBA by the end of November 2022, incorporating the minimum standards for green Bausparkassen loans. In addition in June 2023, EFBS had the possibility to discuss bilaterally the state of play of the EBA work on the CfA in person with Ali Erbilgiç and its superior Jacob Gyntelberg, Head of Economic and Risk Analysis at the EBA at the EBA premises in Paris.

In his presentation, Mr Erbilgiç first described the broader picture of different green finance workstreams at the EBA. He then spoke about the four key elements of the Commission request: Information on banks' green loans and mortgages and practices related to these loans; Features of a voluntary green loan definition based on the EU Taxonomy; Measures to facilitate the uptake of green loans while ensuring the protection of retail borrowers; Measures to support origination process for green loans. Mr Erbilgiç explained that the Taxonomy is used for the time being on a best effort basis; frequently, credit institutions try to comply with the requirements in context of "climate change mitigation" while not fully complying with the Do No Significant Harm (DNSH) criteria. Since there is a large part of activities which is not (yet) Taxonomy compliant, the EBA has proposed a two-tier approach for a voluntary green loan label. Policy schemes that might support a market uptake must not necessarily be financially; yet tax incentives seem to have a strong potential impact. Lower capital requirements might be the best incentive. Sometimes, "lack of consumer awareness" is mentioned as one of the most important obstacles. Respondents of the industry survey stated that 70% of them apply lower interest rates for green products compared to products not labelled as green; those lower interest rates are partly financed by public schemes, partly by the institutions themselves, based on strategic business decisions.

*For further information please refer to the power point presentation attached.*

#### **ITEM 4: Reduction of reporting requirements for credit institutions: Presentation of the parliamentary report**

Mr Pfenning introduced Mr **Christof Bischofberger**, Policy Officer at the Office of Dr Othmar Karas, Member of the European Parliament and First Vice-President of the European Parliament. Mr Bischofberger spoke on the Regulation to reduce reporting requirements for credit institutions. In his draft report dated 19 December 2023 Mr Othmar Karas welcomed the Commission proposal, but called for further simplifications. According to Mr Karas, the dossier is a good opportunity to show that the European Union is prepared to reduce unnecessary bureaucracy. In his draft report, MEP Karas called for the scope of application to be extended beyond the European Supervisory Authorities (EBA, ESMA, EIOPA) and the European Systemic Risk Board (ESRB) to include the ECB's supervisory arm (SSM), the Single Resolution Mechanism (SRB), their national counterparts and the Anti-Money Laundering Authority (AMLA), which has yet to be established. A "report once principle" was also established as a new standard, whereby in future only information from credit institutions that has not already been requested elsewhere by another authority may be requested. Furthermore, in order to combat "gold plating" and to create more proportionality, the European supervisory authorities should not only analyse Level II legislation currently in the legislative process, as provided for in the Commission proposal, but also Level I legislation already in force (i.e. regulations and directives) with regard to unnecessary duplicate reporting requirements.

The report of Mr Karas was confirmed with large majorities both on Committee level and in the Plenary of the European Parliament. Mr Bischofberger invited EFBS members to make their voices heard in the respective national Ministry's of Finance to make the file move also in the European Council.

#### **ITEM 4: The most important financial dossiers of the European Commission: Review of DG FISMA's work on the current legislative term/ outlook on future priorities**

Mr Pfenning introduced **Mr Tommy de Temmerman**. Mr de Temmerman works for the European Commission for nearly eight years. In 2016 he started as a Policy Officer for Bank Regulation and

Supervision at DG FISMA. From 2020 onwards, Mr de Temmerman served for more than three years as a member in the cabinet of Finance Commissioner Mairead McGuinness. In November 2023, Mr de Temmerman got promoted as Deputy Head of the Policy Planning and Implementation Unit of DG FISMA also responsible for inter-institutional negotiations.

The current legislative term is coming to an end. With the European elections going to take place at the beginning of June it is a good moment in time to take stock what has been important in the field of financial regulation during the current term and what might be the hot topics for the next round. Mr de Temmerman spoke about the current legislative term and gave a “big picture” for the next Commission mandate. While it is too early in time to name specific financial services dossiers that will be high on the agenda as of autumn 2024, Mr de Temmerman stated that the “limits of absorption capacity of financial regulation” seem to be reached both in the private and the public sector and that it is rather time for consolidation and not for new legislation.

Mr Pfenning thanked all participants and speakers and closed the meeting.