



**DET KONGELIGE
FINANSDEPARTEMENT**

*Royal Ministry of Finance
The Minister of Finance*

European Commission
Commissioner Michel Barnier
B-1049 Brussels
BELGIUM

Your ref.

Our ref.
09/3079 JCW

Date
11.03.2011

Dear Commissioner Michel Barnier,

Thank you for our meeting in Oslo 4 March 2011. I hope that you also enjoyed watching the Nordic World Ski Championship.

At the meeting we discussed both the issue of maintaining the coverage level of the Norwegian deposit guarantee scheme and Norwegian participation in the new structure for financial supervision in the EU.

With regard to the first issue, the deposit guarantee scheme coverage level, I appreciate your assurance that the Commission will take a constructive and pragmatic role in the development of this file. I also note that you foresee two alternatives, either a solution in the text currently being negotiated by the Parliament, the Council of Ministers and the Commission, or in an EEA adaptation text.

Please allow me to reiterate that I agree with the need to strengthen financial stability, protect consumers and avoid distortion of competition. With regard to preventing distortion of competition, Norway is, as previously indicated, willing to introduce an effective export ban and topping-up measures. The wording in MEP Mr. Peter Simon's proposal published Wednesday 2 March, which introduces a residency requirement, is a practical and effective way to hinder "export" of a higher coverage level to depositors resident in other states, and – accordingly – to avoid distortion of competition. The principle of an export ban has also earlier been in force in the EU (art. 4 in directive 1994/19/EC).

I would also like to mention that according to updated figures for Norway per 31 December 2010, only 45 pct. of eligible deposits would now be covered with a 100.000

euro coverage level, compared to 72 pct. in the EU. Even with the present coverage level of 250.000 euro, as Norway has had since 1996, only 56 per cent of eligible deposits are now covered.

Based on your positive attitude, I hope we may be able to solve this for Norway very important issue along the lines indicated in the proposal from MEP Peter Simon.

With regard to the second issue, I am pleased to note that you foresee that the observer status Norway has had as an EFTA-EEA state in the forerunners to the new authorities, the so-called “level 3 committees”, will be continued. I also note that you respect the constitutional challenges we would run into if we were to subject Norwegian entities to decisions taken by the newly established authorities. We are currently discussing EEA adaptation texts with our colleagues in the other EFTA-EEA states, with a view of presenting a draft to the European External Action Service shortly.

In the meeting you also suggested that some members of my team could have a meeting with key members of your services in order to discuss – on a general basis – the important legislative proposals you are preparing this spring. I would like to follow up on this kind invitation, and suggest that the Norwegian delegation to the EU gets in touch with your cabinet in order to arrange the further details.

Yours sincerely,
Sigbjørn Johnsen