

## **19. European Financial Supervision**

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ABI Lead Committee: European Committee

Other interested committees: Financial Regulation and Tax

Issue: Changes to the institutional framework for the supervision of financial services at EU level.

Status: on 23 September the European Commission proposed draft legislation to strengthen the EU framework of supervision. The proposals envisage the establishment of a macro-prudential body, the European Systemic Risk Board, and three sectoral Authorities for banking, insurance and securities. Discussions have already started in the Council of Ministers, with a view to reaching agreement by the end of the year. Handling in the European Parliament is not settled yet.

ABI Action: ABI has been closely involved in this debate since the publication of the de Larosiere report earlier this year. Once members' views are clear, we will be discussing the issue with the Treasury, influencing the CEA, and lobbying the European Parliament as usual.

Background: the European Systemic Risk Board would be a macro-prudential advisory body, with no binding powers. Members of the Board are drawn largely from Central Banks.

The insurance authority EIOPA (European Insurance and Occupational Pensions Authority) would be a successor body to CEIOPS, composed mainly of representatives from the national regulators. EIOPA would have additional powers to: impose consistent application of EU law, settle disagreements between national regulators, impose actions in the event of a crisis, and draw up technical standards – thus moving towards a single rule book.

### **Useful documents**

[Commission proposals](#)