

ESMA, EIOPA and EBA: EU rule makers & indirect supervisors

FSMA



FINANCIAL
SERVICES
AND
MARKETS
AUTHORITY



Antoine Van Cauwenberge

Compliance Day 18.11.2019

Overview

I. EU Institutions and Agencies

II. ESFS

III. ESMA

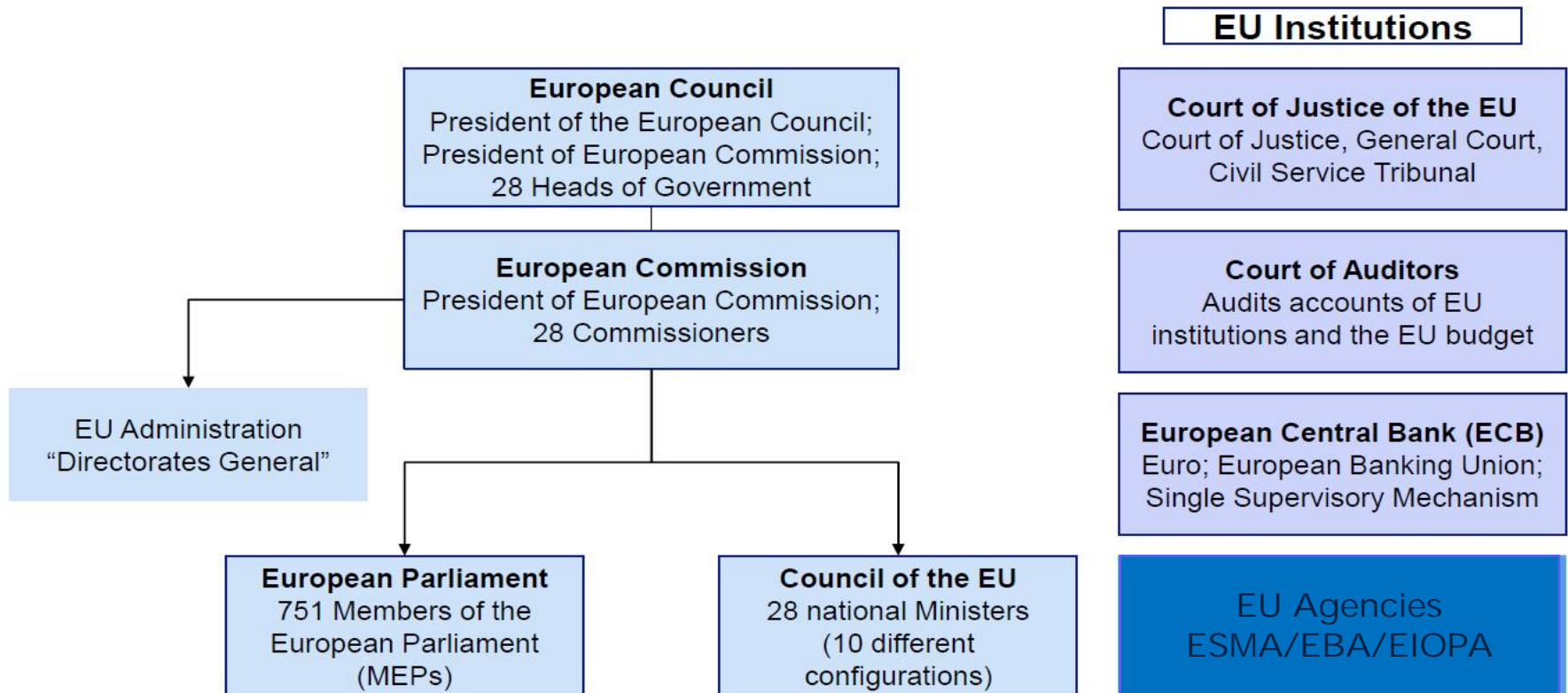
IV. EIOPA

V. EBA

VI. ESAs Review

Note: Views expressed are personal views

I. EU INSTITUTIONS & AGENCIES



II. EUROPEAN SYSTEM OF FINANCIAL SUPERVISION

THE EUROPEAN SYSTEM OF FINANCIAL SUPERVISION

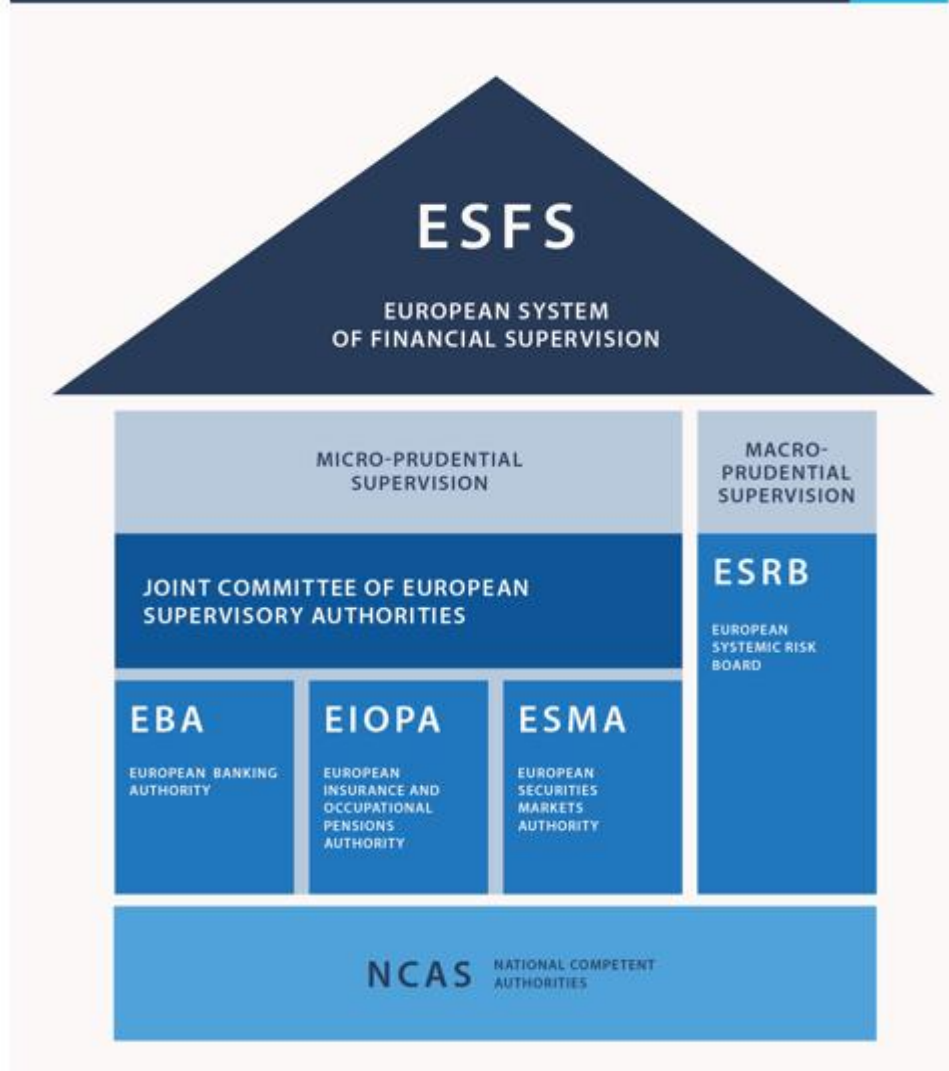
Created in 2010 as part of the EU's response to the financial crisis.

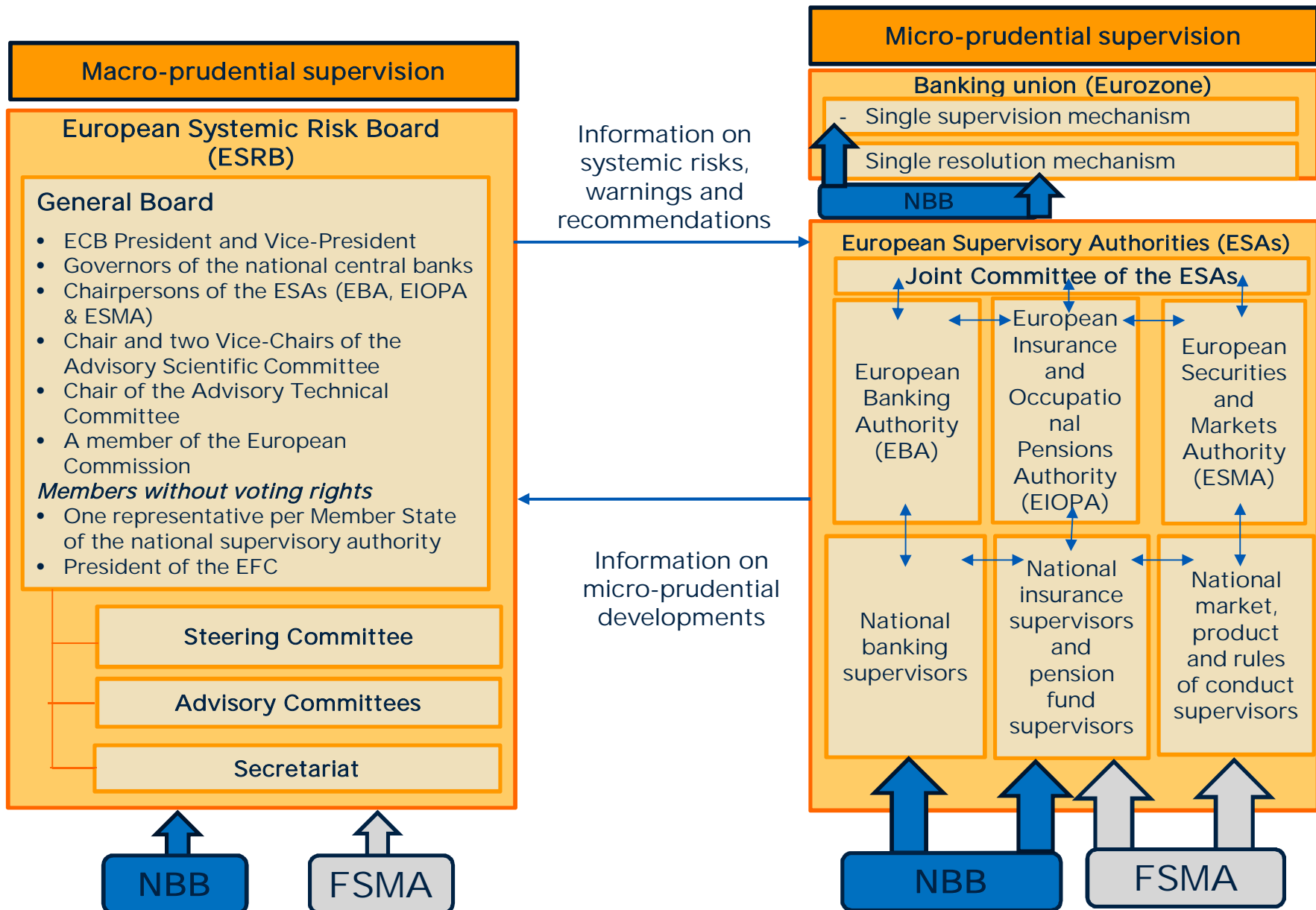
The European Supervisory Authorities contribute to the development of a 'Single Rulebook' for regulating financial institutions and markets in the whole EU.

They promote EU-wide convergence of supervisory practices, help to protect consumers and investors and promote financial stability.

The European Systemic Risk Board issues warnings and recommendations in case of risks to financial stability in the EU.

EU system of financial supervision





III. ESMA



Steven Maijor



Verena Ross

1. Mission

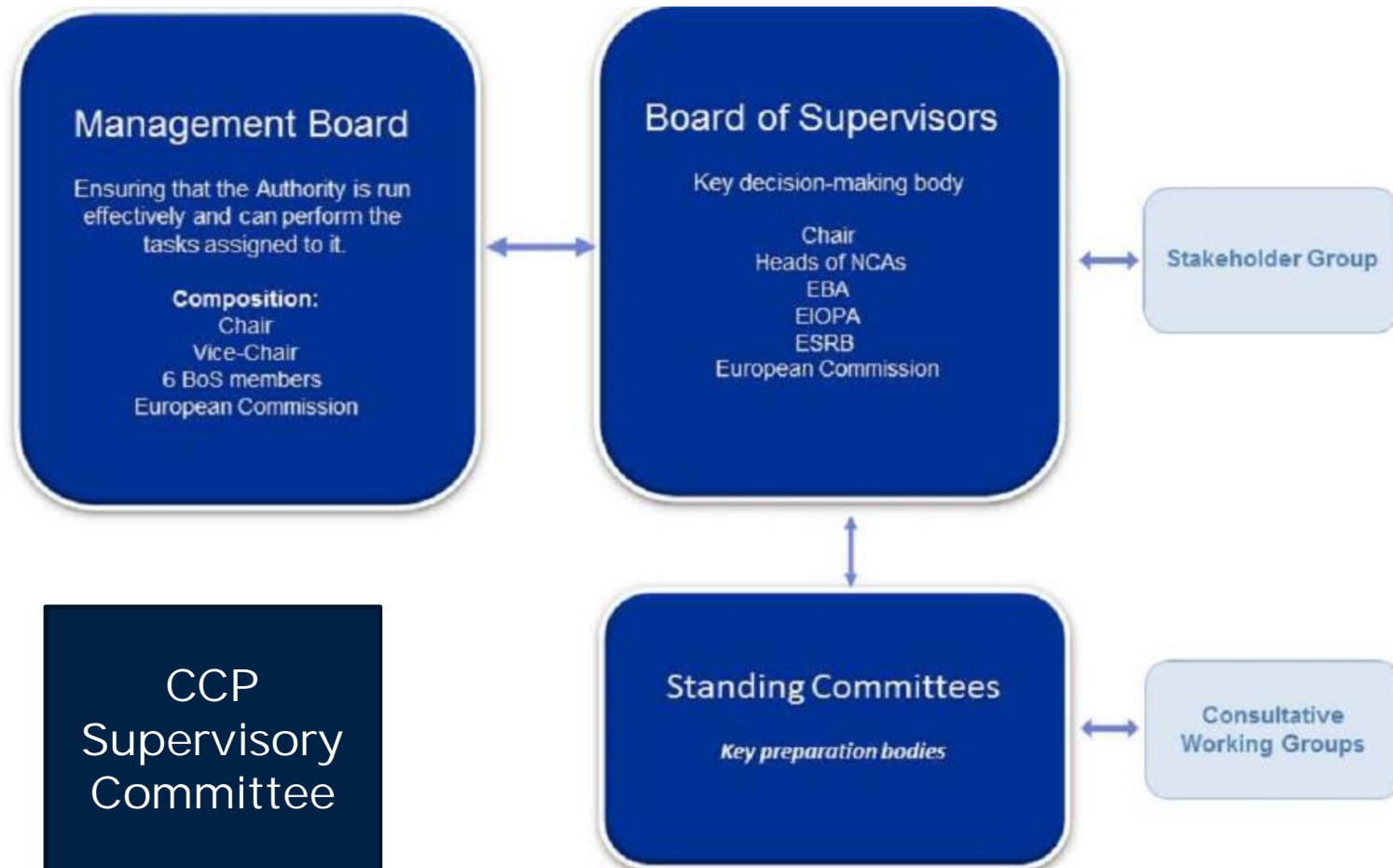
ESMA's mission

1. **Investor protection**: to have the needs of financial consumers better served and to reinforce their rights as investors while acknowledging their responsibilities;
2. **Orderly markets**: to promote the integrity, transparency, efficiency and smooth functioning of financial markets, and robust market infrastructures; and
3. **Financial stability**: to strengthen the financial system in order to be capable of withstanding shocks

ESMA's main activities:

1. Assessing **risks** to investors, markets and financial stability
2. Completing a single **rulebook** for EU financial markets
3. Promoting supervisory **convergence**
4. **Directly supervising** specific financial entities

2. Governance



3. Standing Committees

Secondary Markets
Standing Committee
Elisabeth Roegele

Corporate Finance
Standing Committee
Benoit de Juvigny

Supervisory
Convergence Standing
Committee
João Sousa Gíão

Investment
Management Standing
Committee
Gabriela Figueiredo
Dias

Market Integrity
Standing Committee
Nicoletta Giusto

Committee of
Economic and Markets'
Analysis
Carmine Di Noia

Post-Trading Standing
Committee
Robert Ophèle

Investor Protection and
Intermediaries Standing
Committee
Merel van Vroomhoven

Commodity Derivatives
Task Force
Elisabeth Roegele

Credit Rating Agencies
Technical Committee
Verena Ross

Data Standing
Committee
Chr. Buttigieg

IT Governance and
Management Group
Nicolas Vasse

Corporate Reporting
Standing Committee
Ana María Martínez-
Pina García

Financial Innovation
Standing Committee
Jean-Paul Servais

4. Priorities

- 1) **Supervisory Convergence**
- 2) Assessing **Risks** – publication of annual statistical report series based on EMIR, AIFMD and MiFID II data; cooperation on risk analysis; Trends Risks Vulnerabilities reports;
- 3) Single **Rulebook** – implementation of the Capital Markets Union, Fintech and Sustainable Finance Action Plans, developing the rules under EMIR 2.2/EMIR Refit and reviewing MIFID II/MiFIR;
- 4) Ensuring effective **direct supervision** of credit rating agencies (CRA-28) & trade repositories (TR- 9). New responsibilities for the supervision of securitisation repositories, data service providers, third country central counterparties (CCPs), other third country firms in a number of areas & critical benchmarks (including mandatory contribution of panel banks)

5. Supervisory convergence (1/2)

Components of supervisory convergence



- Guidelines (Comply & explain), Q&As, opinions
- Peer reviews national supervisory practices
- Binding mediation between NCAs
- Common IT projects
- Coordination groups
- Role in colleges (CCPs, benchmarks); Coordinating third country MoUs

5. Supervisory convergence (2/2)

Monitoring the impact of Brexit on supervisory convergence
(Supervisory Coordination Network)

Coordination/measures on CFDs and binary options
(Product intervention)

MiFID II/MiFIR implementation

Peer reviews and Follow-ups
(PR on EMIR Data Quality, FU on suitability)

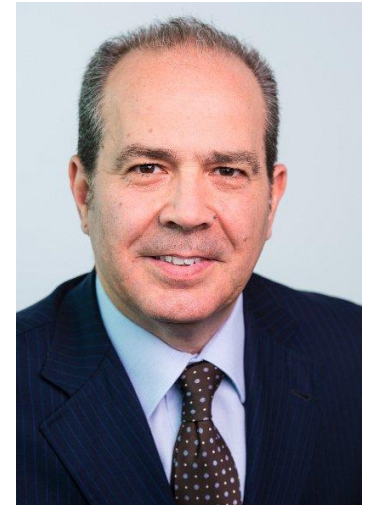
Enforcement Network
(bringing together authorities' enforcement specialists)

Enhancement of the Interactive Single Rulebook
(now also includes CRA Regulation, MiFID II / MiFIR)

IV. EIOPA



Gabriel
Bernardino



Fausto Parente

1. EIOPA Strategic priorities

- Strengthen the protection of consumers (especially Conduct of business supervision (IDD, PRIIPs))
- Support the functioning of the EU internal market in the field of pensions and insurance
- Strengthen the financial stability of the insurance and occupational pensions sectors

2. EIOPA Focus areas

- The persistent low interest rate environment remains challenging for insurers and pension funds: 2020 review of Solvency II (evolution rather than revolution)
- Move from regulation to indirect supervision: increased focus on cross-border cases by setting up dedicated platforms for the benefit of consumers. EIOPA has over the last year facilitated 11 platforms involving national supervisory authorities from several Member States. For each platform, EIOPA has provided concrete supervisory recommendations to the home supervisor.
- Early intervention approach (product intervention for group of products)
- Climate change
- Digitalisation and cyber risk
- CMU (demand side, e.g. PEPP)

V. EBA



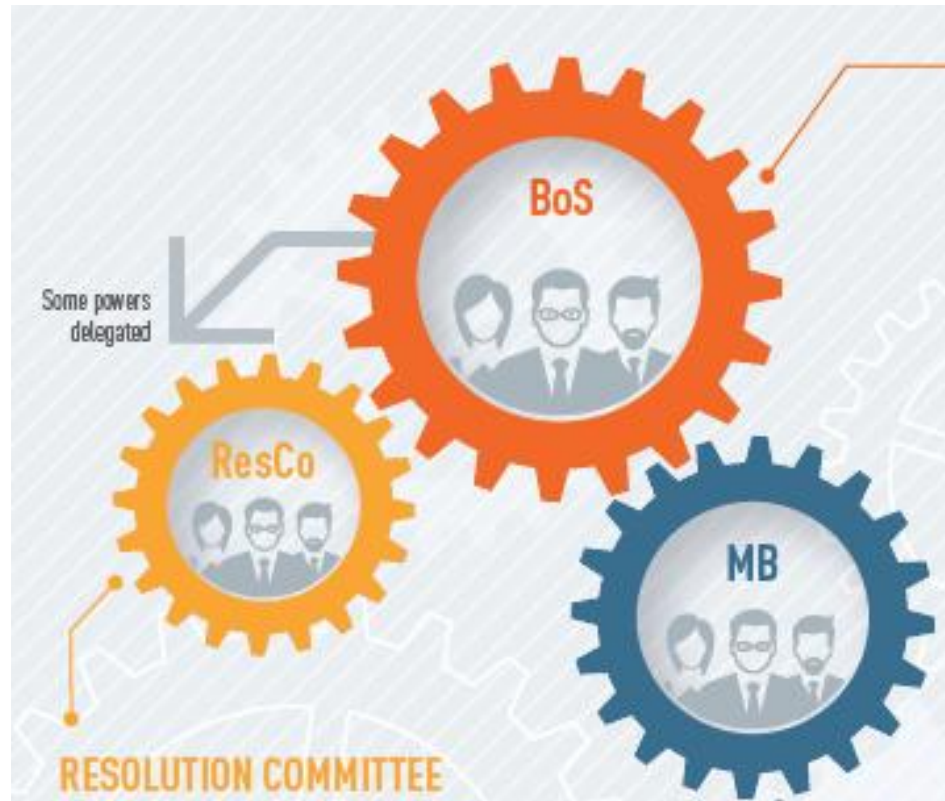
EUROPEAN BANKING AUTHORITY

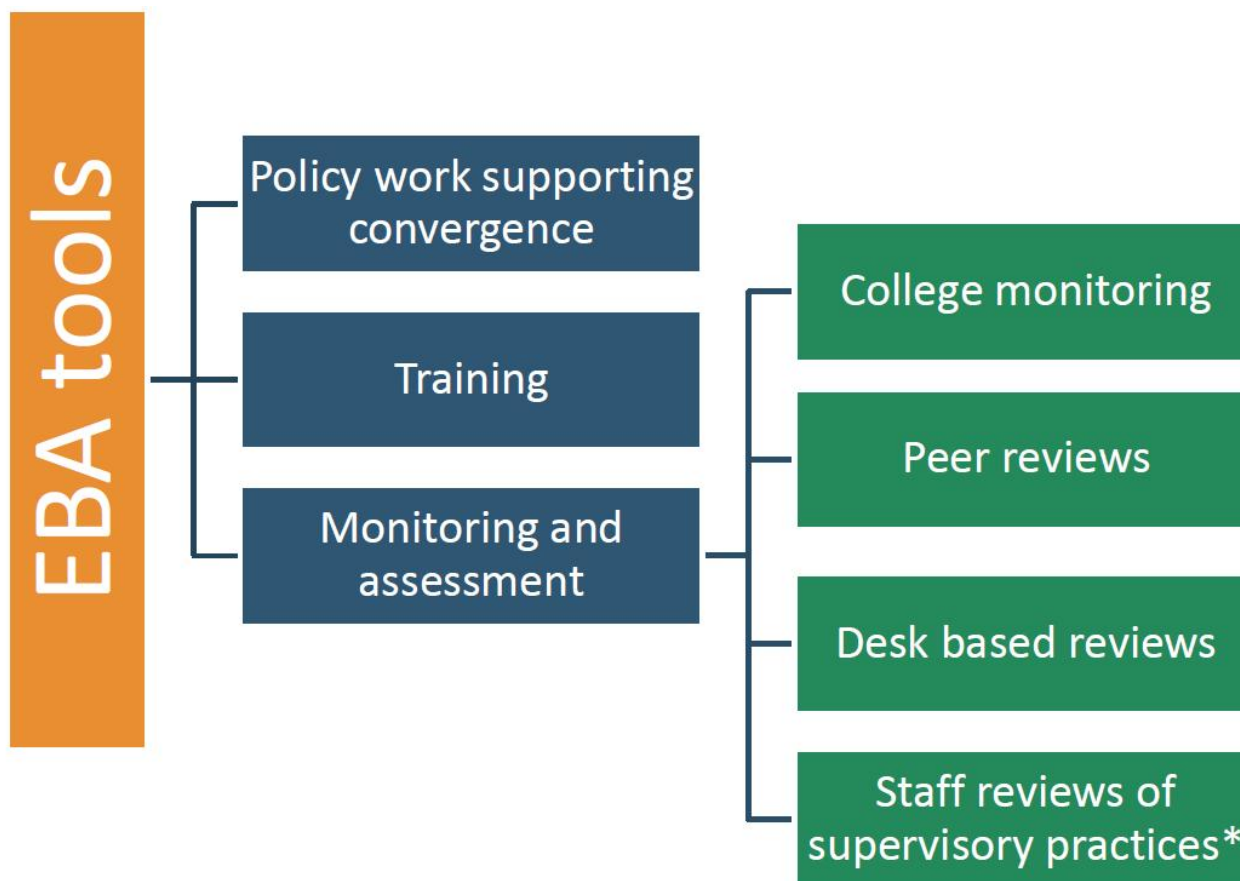
Floors 24-27, 20 Av André Prothin, 92927 Paris La Défense

José Manuel
Campa



EBA Governance





VI. ESAs REVIEW

1. Aims of the ESAs review (1/2)



MAKING
SUPERVISION
MORE EFFICIENT



MOVING AHEAD
WITH THE CAPITAL
MARKETS UNION



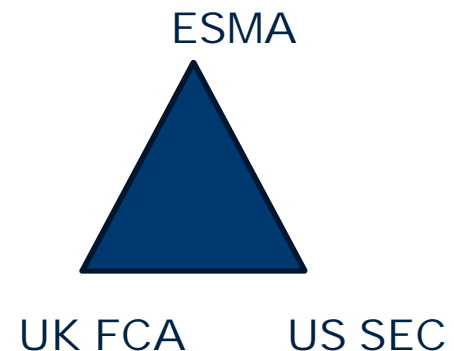
REDUCING AND
BETTER MANAGING RISKS
TO FINANCIAL STABILITY



A more effective
European Systemic
Risk Board

1. Aims of the ESAs review (2/2)

Develop EU capital markets &
deal with cross-border risks
after Brexit



2. The ESAs' indirect supervisory tasks



Better coordination of
supervision across the EU

Strengthening of the ESAs' coordination powers over day-to-day supervision by competent authorities: more emphasis on consumer protection (e.g. coordination of mystery shopping)

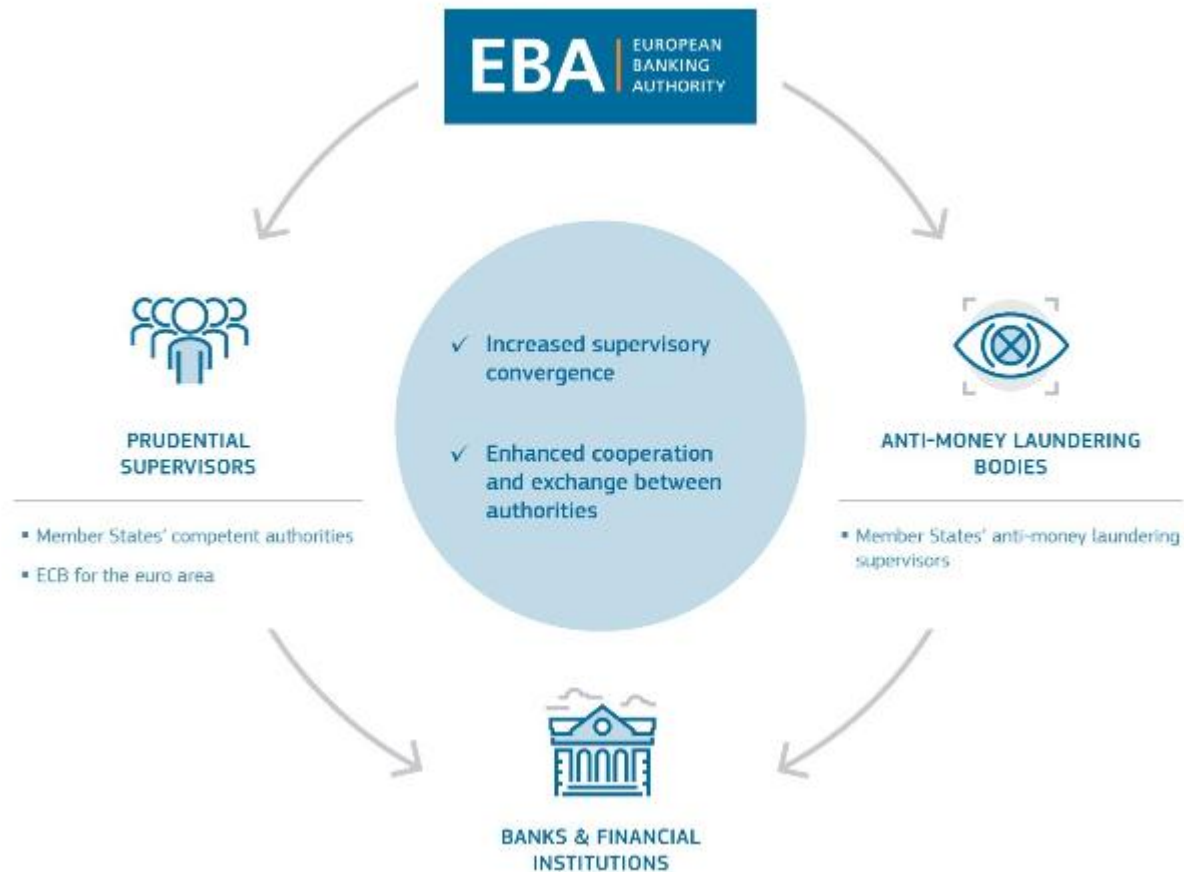
More independence concerning decisions on peer reviews (findings may result in recommendations to NCAs)

Common supervisory priorities

Coordination groups

Cooperation platforms (EIOPA)

3. EU Coordination re AML



4. ESMA's direct supervisory tasks extended

- **Critical benchmarks** such as EURIBOR and EONIA.
- **Data reporting services** which enable the reporting of transactions in financial instruments to regulators and the market.
- The EMIR review introduces a CCP Supervisory Committee in charge of supervisory convergence activities in relation to EU-CCPs and the recognition and supervision of third country CCPs
- Investment Firms Review extends ESMA's role regarding third country investment firms



2019 Compliance Day

18.11.2019

PROGRAM COMPLIANCE DAY 18 November 2019 (VBO-FEB)

- 9.00 – 9.15 Welkomstwoord / Allocution de bienvenue**
Marie-France De Pover, Présidente ForumCompliance.be
- 9.15 – 10.15 Sustainable finance**
1/Tour d’horizon des initiatives législatives et réglementaires relatives à ESG
Anne Sophie Pijcke, Special advisor in ESG, Euronext Brussels
- 2/ Impact op de verkoop en advisering van financiële producten en op de governance van financiële instellingen (MiFID II, IDD, Solvency II, Asset managers)
Prof. Veerle Colaert, KU Leuven, chair ESMA Stakeholder Group
- 3/De nieuwe UN Principles for Responsible Banking in de praktijk
Wilfried Remans, Head of CSR & Public Affairs, BNP Paribas Fortis
- 10.15 - 11.00 Feedback over de transversale inspectie mbt. belangenconflicten en inducements bij de distributie van tak 23 verzekeringsproducten / stand van zaken implementatie IDD**
Ann De Roeck, Directeur, FSMA
- 11.00 - 11.20 Coffee break**
- 11.20 - 12.00 AMLD V et VI, et leur transposition anticipée en droit belge**
Michaël Fernandez-Bertier, Avocat Allen & Overy et chargé de conférences à la Solvay Brussels School of Economics and Management
- 12.00 - 12.40 De toenemende rol van de Europese financiële toezichthouders (EBA, ESMA and EIOPA)**
Antoine Van Cauwenberge, Adviseur van de Directie, FSMA
- 12.40 – 14.00 Lunch**
- 14.00 - 14.40 GDPR: 18 months later, a status update**
Prof. dr. Patrick Van Eecke, Partner DLA Piper & Professor Universiteit Antwerpen
- 14.50 - 15.50 Break- out sessions (1)**
EU Ethics guidelines for trustworthy artificial intelligence
Prof. Peggy Valcke en Dr. Jan De Bruyne, CiTiP-KU Leuven-imec, Vlaams Kenniscentrum Data & Maatschappij
OR
Het voorkomen en beheersen van “conduct risk” en het verbeteren van de cultuur binnen organisaties/La prévention et la gestion du “conduct risk” et l’amélioration de la culture au sein des organisations.
Caroline Veris, Partner | FSI Governance, Regulation & Compliance, Deloitte Consulting & Advisory
- 16:00 – 17:00 Break-out sessions (2)**
Outsourcing – attentes prudentielles
Nicolas Strypstein, Conseiller BNB
OR
Protection of the weaker party: new compliance challenges
Prof Régine Feltkamp, Advocaat MODO, Docent VUB
Gerrit Hendriks, Advocaat MODO, Wetenschappelijk Medewerker VUB
Dodo Chochitaichvili, Avocate MODO

17.00 - 17.30 Algemene vergadering van de vereniging / Assemblée générale de l'association
ForumCompliance.be
(for members of ForumCompliance.be only)