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**Joint Protocol on Cooperation
between CESR, CEBS and CEIOPS**

The Committee of European Securities Regulators,

the Committee of European Banking Supervisors and

the Committee of European Insurance and Occupational Pensions Supervisors

*agree the following regarding their cooperation and coordination in the areas of regulation,
policy, information exchange and other tasks
with a common interest*

In November 2005 when signing the initial 3L3 Joint protocol it was noted that the cooperation between the Level 3 Committees has increasingly become a subject of interest, both within CESR, CEBS and CEIOPS and externally. On various subjects, it has been pointed out by involved European and domestic institutions and by the industry that the work done in one sector should be consistent with the work done in the other financial sectors on Level 1, 2 and 3 as well as in relation to work which lies outside the structure of Lamfalussy. Subjects of common interest exist in many aspects of the work undertaken by the Committees. This remains the case in 2008, when the Committees have agreed to revise the joint 3L3 Protocol in order to reflect both the operational changes that have occurred in the last three years, and the new direction given to the level 3 Committees in the Council conclusions of December 2007.

The Committees agree, where necessary and relevant, to identify subjects of common interest or where common action can create added value. The results of this work should be consistent and/or take into account the effect in other sectors of such work, without implying that the results need to be identical. Differences would, however, need to be explained by the differences in objectives or underlying conditions and the necessity of prioritizing. The following objectives with common interest to all three Level 3 Committees have been identified:

- a. Exchange of experiences which can facilitate supervisors' ability to cooperate;*
- b. Sharing information in order to have compatible approaches;*
- c. Producing joint work or reports to relevant EU committees and groups; particularly Financial stability assessment;*

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- d. Reducing supervisory burdens and streamlining processes;*
- e. Having similar basic functioning of the three Committees;*
- f. Crisis management coordination;*
- g. Impact assessment application and implementation;*
- h. Supervisory convergence and particularly 3L3 Training.*

The responsibility for good cooperation lies with the respective memberships. The Chairs have the responsibility to facilitate such cooperation, assisted in this effort by the Secretariats. Based on existing cooperation experiences between the Chairs and the Secretariats, the Committees have agreed the following practical working arrangements:

Article 1 Rotation of Coordination

Each Committee will facilitate the coordination of the 3L3 work for a period of 6 months, divided in the first and second half of the calendar year.

Article 2 Meetings and contacts

- a. The Chairs of the 3L3 Committees will meet at least four times a year, to discuss issues of joint interest, and the priorities and progress of issues in each of the Committees. The Chair of the Interim Working Committee on Financial Conglomerates will be invited to attend. The Chair from the corresponding “coordinating” Committee should chair these meetings. The Secretary Generals will participate in these meetings together with the relevant supporting secretariat staff. The 3L3 Chairs will in addition usually meet prior to the meetings of FSC, EFC, ECON and other EU institutions and external speaking events where they are expected to be present together.
- b. The Secretary Generals and representatives of each Secretariat will meet at least four times per year, prior to the 3L3 Chairs meetings, to discuss practical work in progress and provide information which might be of interest to the other Committees.
- c. In addition to the above, the Secretariats should establish a general contact point between them, and will create specific contact points if and when needed on specific subjects.
- d. 3L3 Chairs, Secretary Generals and secretariats will in addition hold telephone conferences, at least once a month, and whenever necessary and appropriate.

Article 3 Tasks of the Coordinating Committee

- a. In order to ensure an efficient approach to 3L3 work and decision making each Level 3 Committee should lead, drive and take responsibility for the coordination of 3L3 work, and the tasks involved to support it, on a rotation basis for a six month period.
- b. The Coordinating Committee will be responsible for arranging the *3L3 meetings* at every level, including responsibility to ensure appropriate follow up on any agreed



outcome. Meetings can take place using telephone conference facilities when necessary and appropriate.

- c. Normally, the Coordinating Committee will serve as a *single contact point* for the memberships and the EU institutions regarding 3L3 issues. This includes the tasks of (e.g.): coordinating the views of the memberships, notwithstanding direct input from members through each Committee, in relation to 3L3 documents on behalf of the three Committees; planning submissions; taking a view on the progress of all 3L3 work and raising issues that need to be addressed at a 3L3 chairs level.
- d. Specific tasks for the respective persons of the Coordinating Committee:
 1. The Chair will call and chair 3L3 Chairs' meetings during the course of the respective term, and a priori speak on behalf of the three Committees on 3L3 issues, e.g. in FSC and EFC, where appropriate.
 2. The Secretary General will monitor the progress of the day-to day 3L3 work in respect to the 3L3 work programme; chair 3L3 secretariat meetings and sign off on agendas and summary of conclusions.
 3. The Secretariat contact person(s) will provide the central contact point of the secretariats for all 3L3 work, support the Committees in performing their day-to-day 3L3 work; produce 3L3 annual reports; provide overview of progress and prepare 3L3 meetings, agendas and summary of conclusions.
 4. The administrative support will provide logistics for meetings, dates and locations; distribute e-mails and documents to relevant groups of members; keep updated contact lists for the 3L3 organisation.

Article 4 Joint work

- a. The Committees may decide to conduct joint work on their own initiative, or when receiving mandates on similar subjects, provided that the timelines are compatible. This work may also include the creation of joint working groups involving representatives with the appropriate expertise, if and where necessary. One Secretariat may be appointed as a 'lead' Secretariat for a particular work stream, meaning that it will be asked to draft the proposals, invite and process the comments and input from the other Committees' structures. The joint work would be based on a mandate from the relevant Committees. The decision on approval of the final product will remain within the remit of each Committee itself.
- b. On cross sector risks there will be joint reporting to the various interested European institutions and/or committees.

Article 5 Work in relation to the EU institutions

- a. The Committees will coordinate their reporting to the EU institutions and committees.
- b. The secretariats will exchange their respective briefings before appearing in meetings of EU committees.



- c. Comment letters and similar documents to the EU institutions will be prepared by the Coordinating Committee, and sent to the Committees for comments. The 3L3 Chairs will decide on the final contents before submitting the letter/document.

Article 6 Reporting to the Committees

The respective Committees will be briefed regularly, at least quarterly, on the ongoing contacts and relevant work, including such joint working groups, under these arrangements. The Committees will be notified of forthcoming meetings and agendas of the Chairs of the 3L3 Committees and have the opportunity to propose items for the agenda. The conclusions of the meetings referred to in Article 2 will be distributed to the Committees. The documents produced by joint working groups under Article 4 will be appropriately distributed by each Committee.

Article 7 Work programme and Annual reports

- a. A joint work programme for the Committees will be prepared each year, and sent to the EU institutions together with the annual work programme of each Committee. The joint work programme will be approved by the Committees and published. The Chairs will monitor the progress achieved and report periodically to the respective Committees.
- b. The Committees will discuss annually the implementation and results of this cooperation and will publish their conclusions in their respective annual reports.

Article 8 Access and exchange of information

- a. For the purpose of access to and distribution of papers each Secretariat will have access to the documents for the plenary meetings, the minutes thereof and the documents for written procedures of CEBS, CESR and CEIOPS, except for strictly confidential information restricted to the involved competent authorities. This will also facilitate the identification of common interests and areas where a joint approach on (public) accountability is necessary.
- b. In areas in which cross-sector interests have been identified, working documents discussed at the level of expert groups/working groups will also be accessible to the other Secretariats at an early stage.

Article 9 Application for EU funding for 3L3 purposes

- a. The 3L3 Chairs will decide, after consulting members, on common 3L3 funding applications for 3L3 Training, after receiving funding proposals prepared by the 3L3 Training Task Force.

9.1 The financing proposals

- b. Each Committee draws up sector specific annual proposals for obtaining subsidies from the EU Commission on the basis of specific proposals and relevant justification. These proposals may be composed of several lines, among which Training, IT projects and other developments are mentioned separately. These proposals will be put together in a single 3L3 format and submitted to the EU Commission.



9.2 Financing of Training

i. Cross-sector training

- c. Each Committee will, after consulting its members, propose the subjects on which it intends to organise training for the account of the three Committees, at the latest by December for the following year. The subjects for common training will be agreed by the 3L3 Chairs. The cross-sectoral training plan will be implemented by the 3L3 Training Task Force. It will draw up a budget per training course, on the basis of the number of likely participants of the three Committees, and in a later stage of participants of supervisory institutions of non-member states.
- d. Cross-sector training will be run either by i) one of the Committees, ii) externally, or iii) by a member of a Committee, in which case, reasonable costs of that member will be reimbursed out of the funds available for cross-sector training.

ii. Sector training

- e. Issues for sector training to be organised will be communicated between the Committees. Each Committee's secretariat, or their members, may express interest to participate in one or more subjects on which the other Committee propose to organise training, respecting that the sector committee's members may take priority for places.
- f. The Committees should indicate how many persons they intend to send to each other's proposed sector training programmes, in which case the Committees commit to pay for these persons' participation.
- g. The price of participation will be based on exact cost calculation of the organising Committee (without mark-ups). Each Committee finances its participation in the sector training according to its own rules, with a cost based fee, if any, from participants that are member of that Committee.
- h. The organising Committee set the price for participation in the training it is organising. Verification and payment of fees can be made ex post, on the basis of the costs incurred for the organiser. There may be VAT due on these fees. Each Committee will be accountable to the EU Commission services for the expenditures made in relation to training.

iii. Payments

- i. The payments for sector projects will be made to the Committee that has proposed the approved project.
- j. The payments for the cross sector training will be transmitted to each of the three Committees for one third each. The Committees will earmark these sums for cross-sector training.



Article 10 Miscellaneous

- a. Each Committee will bear its own costs.
- b. The Committees may decide to host joint seminars on cross sector issues.
- c. These arrangements will be effective as of the date of execution. They will be published on the websites of all three Committees.

As agreed and signed in Brussels on 8 December 2008,

For the Committee of European Securities Regulators:

A handwritten signature in black ink, appearing to be 'E. Wymeersch', written in a cursive style.

Eddy Wymeersch (Chair)

For the Committee of European Banking Supervisors:

A handwritten signature in black ink, appearing to be 'Kerstin af Jochnick', written in a cursive style.

Kerstin af Jochnick (Chair)

For the Committee of European Insurance and Occupational Pensions Supervisors:

A handwritten signature in blue ink, appearing to be 'Thomas Steffen', written in a cursive style.

Thomas Steffen (Chair)