

European Association of Public Banks General Assembly Belgrade, Serbia

CEBS – Steps ahead

Kerstin af Jochnick | 25 April 2008

CEBS

Committee of European
Banking Supervisors

Outline

- CEBS' main tasks
- Lamfalussy review
- Supervisory Colleges
- Response to the market turmoil
- Crisis management
- Steps ahead

CEBS' main tasks

Main tasks

- Give advice to the Commission
- Promote consistent implementation/application of EU legislation and to enhance convergence of supervisory practices
- Exchange information and enhance supervisory cooperation

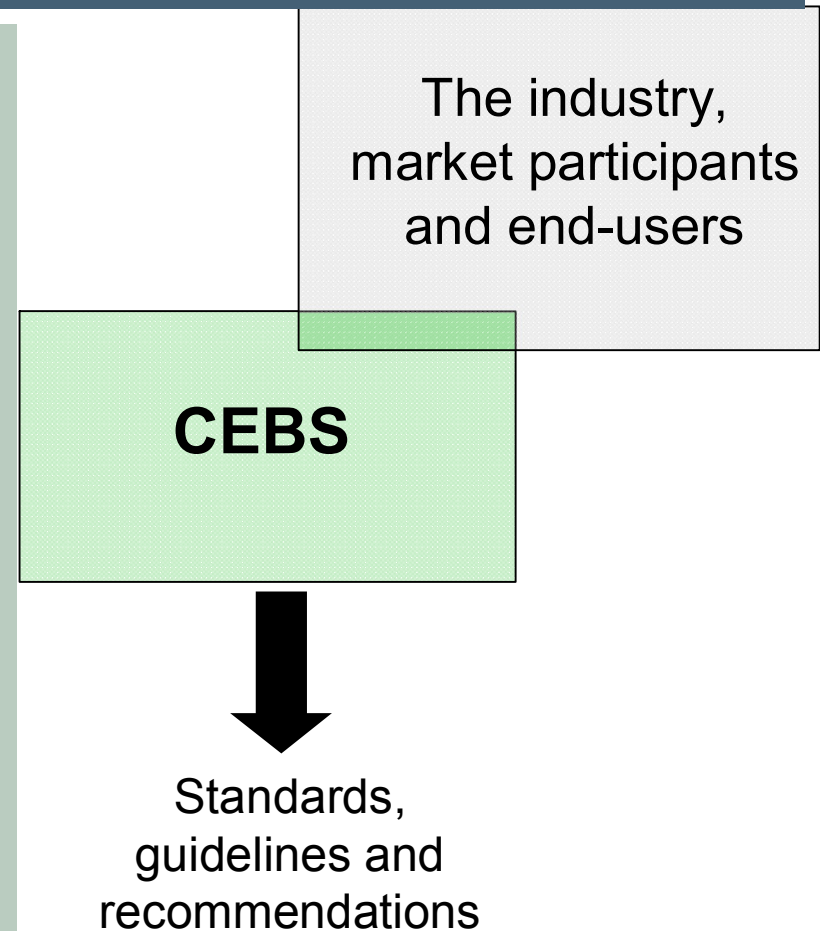
Objectives

Promote efficient and effective supervision and the safety and soundness of the EU financial system through:

- good supervisory practices
- efficient and cost-effective approaches to supervision of cross-border groups
- effective regulation
- level playing field and proportionality

CEBS' main tasks (2)

- Consultation with the industry, market participants and end-users
- Objectives: transparency, benefit from expertise of market participants and end-users, dialogue and interaction
- Tools: public consultation on CEBS products, hearings, panel
- Consultative Panel composed of 19 members with main task of acting as a sounding board in strategic issues
- Industry expert groups



Lamfalussy review

- Strengthened role for CEBS within the Lamfalussy architecture:
 - Accountability – To European institutions
 - Mandate – An additional EU aspect
 - Funding – Possible EU budget allocation
 - QMV - Qualified Majority Voting

Lamfalussy review (2)

- Post ECOFIN Roadmap
- Introduce QMV in CEBS Charter
- Guidelines for operation of colleges
- EU-wide reporting format
- Delegation of tasks
- Consider financial support to 3L3 Committees and enhance EU supervisory culture

Supervisory Colleges

CEBS has issued:

- Guidelines for home-host co-operation
- Paper on range of practices for supervisory colleges and home-host co-operation
- Template for multilateral co-operation

Supervisory Colleges (2)

The objectives to set up a college are to:

- Facilitate exchange of information (in normal situations and at times of crisis)
- Develop understanding of risk profile
- Achieve co-ordination of supervisory review and risk assessment
- Co-ordinate supervisory decisions and activities
- Avoid duplication of work
- Reduce regulatory burden

Supervisory Colleges (3)

CEBS work on colleges:

- Network of supervisors for 10 cross-border EU banking groups (which will be enlarged to 17)
- Promote implementation of MoU and good practices
- Identify priorities in cross-border issues
- Promote an active dialogue between institutions and supervisors
- Dialogue with the Industry Operational Network Platform

Response to the market turmoil

- Transparency of exposures to structured finance instruments
- Valuation of illiquid assets
- Supervision of liquidity risk
- Regular risk assessment by CEBS

Crisis Management

- Memorandum of Understanding

Ministries of Finance - Central Banks - Supervisory Authorities

- Commitment to co-operate across borders with a view to enhance preparedness for management of a potential cross border crisis.

Framework for assessing systemic implications

Practical guidance for crisis management

Considers inter-linkages bank, insurance and securities markets

- Crisis simulation exercise (2009)

Steps ahead

- Strengthen CEBS role within the Lamfalussy architecture
- Enhance CEBS role in fostering convergence in day to day practices and conduct of prudential supervision for cross border groups
- Deliver good practices for supervisory colleges
- Improve discussions on risk assessments and supervisory responses to emerging risks



CEBS

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