



# 4<sup>th</sup> European Banking Regulation Conference A Practical Guide to the Latest Regulatory Developments

## Challenges for CEBS in 2008 and beyond

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**CEBS**

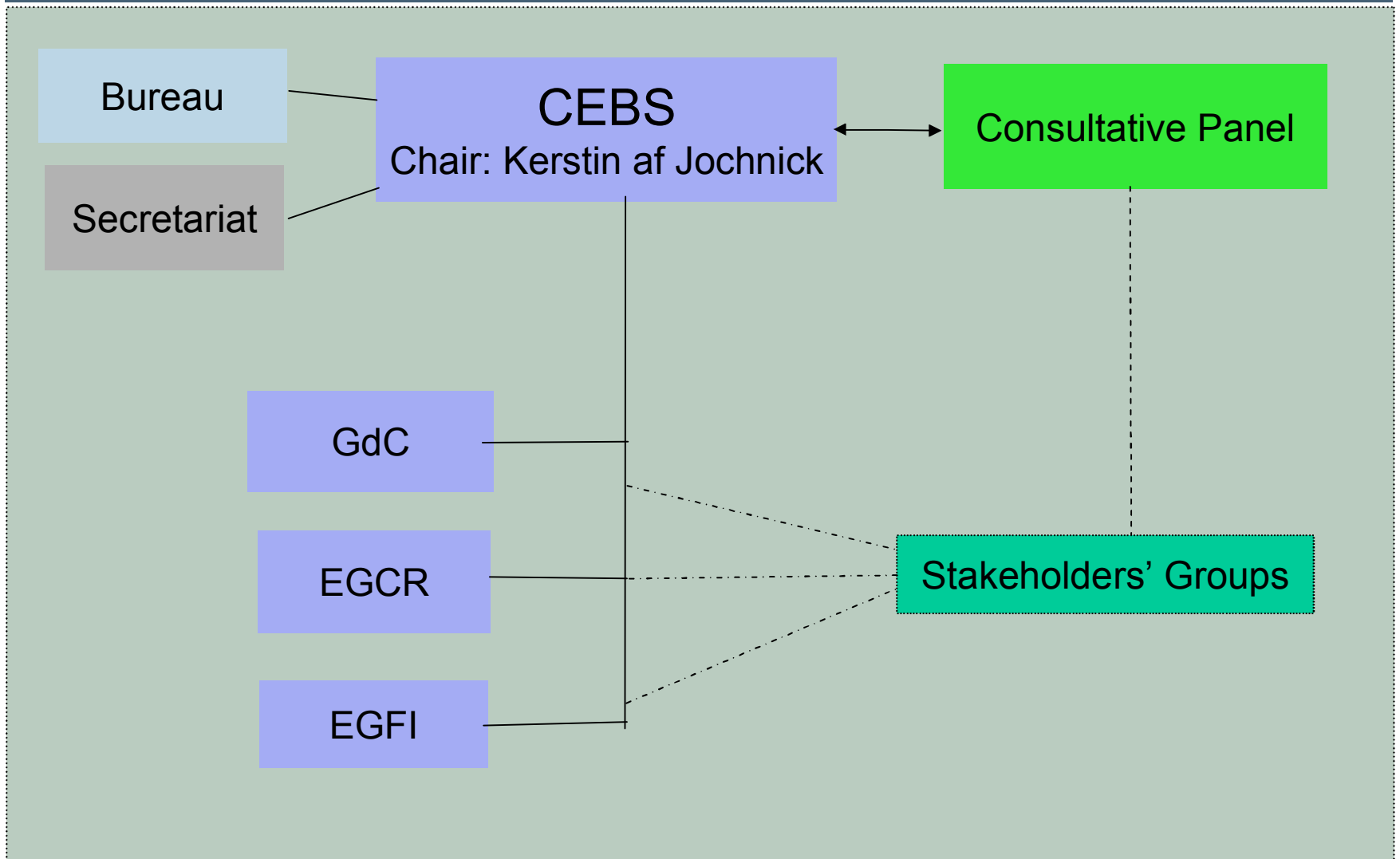
Committee of European  
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# Outline

***1. CEBS' accomplishments in 2007***

***2. CEBS' main focus and challenges in 2008***

# CEBS' organisation chart



# CEBS' accomplishments in 2007

## 1. CEBS' shift in focus from production of CRD Guidance to CRD implementation

- *Operational Network*
- *CRD Transposition Group*
- *Supervisory disclosure*

## 2. CEBS' work on the current market turmoil

- *Information exchange and supervisory cooperation*
- *Work on liquidity risk management*

## CEBS' accomplishments in 2007 (2)

### 3. Contribution to the EU legislative process

- *Provision of technical advice to the Commission on:*
  - Own Funds (Hybrids)
  - Large Exposures
  - Commodities

### 4. Subjected itself to an external online questionnaire / Performance assessment

- *Broadly positive assessment but gap remains with day to day practices*

## **Accomplishments in 2007 (3)**

- 5. Enhancement of cooperation and convergence in supervisory practices**
- 6. Increased focus on 3L3 cross sector work**
- 7. Proposals issued for strengthening the Lamfalussy approach**

# CEBS' main focus and challenges in 2008 ???

## 1. Supervising cross border groups

- *Enhancing supervisory cooperation through colleges of supervisors*
- *Increased use of delegation between supervisors*
- *Providing common answers to practical issues whenever possible*
- *Co-ordination of supervisory requests and supervisory responses*
- *Consideration of cross sector dimension*

## CEBS' main focus and challenges in 2008 ???

### **2. The appropriate supervisory response to issues emerging from the current market turmoil**

- Supervision of liquidity risk
- Valuation of illiquid assets
- Transparency of securitisation assets
- Crisis management



## CEBS' main focus and challenges in 2008 ???

### 3. Response to Lamfalussy review / Better regulation

- *Use of 3L3 impact assessment methodology*
- *Supervisory disclosure, as a tool for market pressure*
- *Peer review/ comply and explain*
- *Mediation mechanism*
- *Greater industry engagement with establishment of new stakeholder groups*

## 4 . Pillar 2 implementation

- *Consideration of any diversification benefit /transferability of group capital*
- *Technical assessment of economic capital models*

# CEBS challenges ahead

- 1. Continuing the shift in its work from CRD Pillar 1 to Pillar 2 implementation*
- 2. Delivering supervisory convergence in day-to-day practices*
- 3. Balancing its work on current market turmoil work with its ambitious workload i.e. responding to European Commission on requested advice on Own Funds, Large Exposures and Liquidity.*
- 4. 3L3/ Cross-sectoral consideration*



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