



**Socialist Group in the
European Parliament**

Assessing CEBS progress so far

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Context (1)

- EU financial services ahead of US, not least due to regulatory framework
- Booming financial services sector also instrument for real economy investments?
- Who profits from the success of the FSAP?



Context (2)

Focus points:

- Growing non-regulated sector
- Market concentration, role competition policy
- Level playing field: local – cross-border
- Access to finance
- Member States in competition, or common market?



Lamfalussy framework (1)

- Principles based vs. rule based
- Level of harmonisation
- Discretionary powers for supervisors
- Dialogue with industry and end users
- Democratic accountability
- Global impact of mutual recognition



Lamfalussy framework (2)

Focus points:

- Level of detail (L1/L2)
- Prompt response to market dynamics
- National discretion and gold-plating
- Input of (end) users in policy making
- EP involvement and scrutiny on L2 & L3
- Coping with “private” policy makers (e.g. credit rating agencies & IASB)
- Cooperation with US, Japan, etc.



Supervisory convergence

- Convergence of execution practice
- Mutual trust basis for delegating responsibilities: less detail & red tape
- Cross-sector cooperation
- Cross-border cooperation: lead supervisors for groups
- Conduct of business, prudential and systemic risk supervision, different approach



Supervisory convergence

Focus points:

- Practical cooperation
- Overcoming national interests in L2 & L3
- 3L3 cooperation
- Limits of the lead supervisor concept
 - Legal mandate, enforceability, liability & redress
 - National interests
- Mediation and oversight
- Role of ECB



Beyond present architecture

- Lead supervisor concept vs. European system with executive competences
- Independence of national interests
- Resources and tools
- Decision making process (QMV vs. consensus)
- Link to competition supervision
- Who pays in last resort?



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