



# Reform Of the ESAs

FOCUS

Updated in May 2020

REGULATORY EVOLUTION

- The European Commission (EC) made proposals on 20 September 2017 to review the functioning of the ESAs
  
- ESAs = European Supervisory Authorities
  - ESMA (European Securities and Market Authorities) for Asset Management
  - EBA (European Banking Authorities) for banks
  - EIOPA (European Insurance and Occupational Authority) for Insurance

FOCAL POINTS

- The proposal is focused in 3 main areas:
  - Funding
  - Supervisory powers
  - Governance
  
- The general direction of the initial proposal was towards more consolidation of power at the ESAs-level and away from National Competent Authorities. But finally, those ambitions have been lowered.



Updated on 29 May 2020

## STATEMENT

- ❑ 30 October 2018: the Parliament published amendments to this regulation
- ❑ 12 February 2019: The Council confirmed its general approach on the proposed legislative reforms related to the ESAs
- ❑ 21 March 2019: Political agreement reached on the proposal:
  - **Funding:** the existing funding system is maintained
  - **Powers:** direct supervision by the ESAs of capital market data such as EU critical benchmarks and third country benchmark that can be used in the EU
  - **Governance:** Member states and Council managed to preserve a key role for the National Authorities; maintaining that the key decisions have to be made by the ESAs' Board of Supervisors, which is composed of the heads of National Competent Authorities
  - The EBA's role has been reinforced as regards tackling money laundering

## FOR YOUR CONSIDERATION

- ❑ 17 April 2019: Parliament adopted the proposals
- ❑ 2 December 2019 : Council adopted the proposals
- ❑ 27 December 2019: Text was published in the Official Journal of the EU

Contact SGSS/CAO/REG:

[marie-claire.de-saint-exupery@sgss.socgen.com](mailto:marie-claire.de-saint-exupery@sgss.socgen.com)

*"This document is for informational purposes only. Under no circumstance should it, in whole or in part, be considered as an offer to enter into a transaction. This document is not intended to have an advisory character or intended to represent an investment recommendation or a recommendation regarding a certain strategy, product or service. Although information contained herein is from sources believed to be reliable, Société Générale makes no representation or warranty regarding the accuracy of any information and is not responsible for errors of any kind. Any reproduction, disclosure or dissemination of these materials is prohibited. The products and services described within this document are not suitable for everyone. This document is not intended for use by or targeted at retail customers. All of the products and/or services described may not be available in all jurisdictions"*