



# Reform Of the ESAs

Updated in June 2019

### 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.



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## 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 proposals:
  - **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
- ❑ Next step: the Council has to endorse the agreement before formal adoption. Then the text will be published in the Official Journal of the EU (publication expected by summer 2019)

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