

Assessment of the Lamfalussy architecture

*Workshop on the Evaluation
of the Lamfalussy Procedure*

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CEBS

Committee of European
Banking Supervisors

What has CEBS already in place?

Regulatory field:

- ✓ **Extensive consultation process and impact assessments**
- ✓ **Common guidelines, standards and recommendations**
- ✓ **Regulatory transparency through supervisory disclosure**
- ✓ **Query systems for common EU answers to operational questions**

What has CEBS already in place?

Supervisory practices:

- ✓ **Functioning of colleges**
- ✓ **Operational networking mechanisms**
- ✓ **Mediation, peer review and comply or explain**
- ✓ **Delegation of tasks**
- ✓ **Common training and staff exchanges**

Pressure points

- **Gap between policies and day-to-day practices**
 - **Complexities for cross-border groups**
 - **Different national traditions**
 - **Options, discretions and gold-plating on the national level**
- ➔ *The Lamfalussy approach needs to be implemented nationally too!*
- ➔ *the banking directives need to be really Lamfalussy-compatible!*

The way forward

CEBS as a virtual organisation

- **Better ex-ante definition of convergence targets**
- **Strengthening the colleges and operational networks**
- **New tools:**
 - ❖ *Joint EU assessment teams in selected areas*
 - ❖ *Common EU expert teams to support line-side supervisors*
 - ❖ *Web-based Q&A systems to improve common approaches*
- **Proposals for phasing out national discretions and options**
- **Own initiative advises**
- **Part of the decentralised but integrated L3 system**

What comes in the future?

➤ **The Lamfalussy process is evolutionary**

- ❖ *No specific end point*
- ❖ *Ability to give EU responses when needed...*
- ❖ *...and leave scope for national specificities*

➤ **A decentralized system of supervision is already there**

- ❖ *Regulatory harmonisation*
- ❖ *Common supervisory standards in the make*
- ❖ *A common culture is evolving*
- ❖ *Increased networking and interconnectivity*

➤ **Optimal balance through time**

➤ **Continuation of the dialogue and debate**



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