



The New Financial Europe Conference – Supervision and Banking Regulation

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CEBS

Committee of European
Banking Supervisors

Outline

- The role of CEBS
- The Larosière and Turner reports
- Key challenges
- Convergence on Supervisory Practices
- Harmonised regulatory implementation
- New regulation in response to the crisis
- Conclusions

The role of CEBS – objectives and tasks

Objectives:

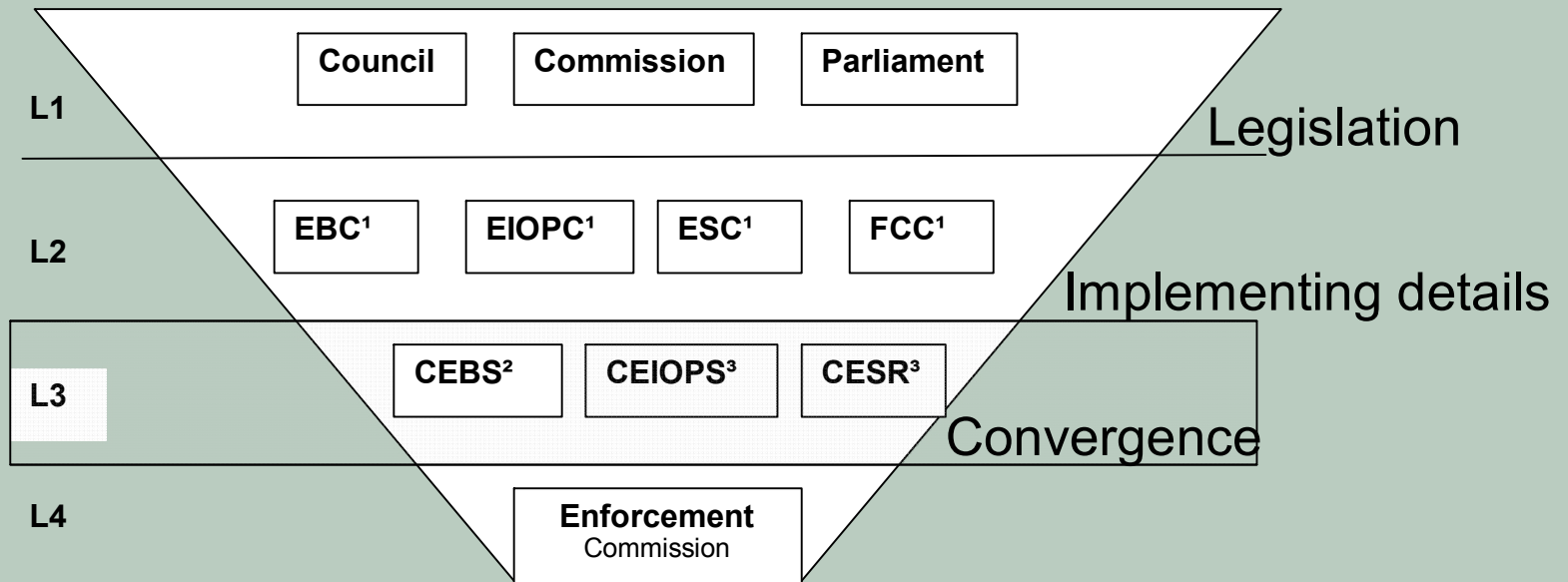
Promote efficient and effective supervision and the safety and soundness of the EU financial system through:

- Good supervisory practices
- Efficient and cost-effective approaches to supervision of cross-border groups
- Level playing field and proportionality

Main tasks:

- Give advice to the Commission
- Promote consistent implementation/application of the EU banking legislation
- Promote convergence of supervisory practices
- Promote information exchange and supervisory cooperation
- Regular risk assessments from a supervisory perspective

The role of CEBS - the Lamfalussy structure



EBC = European Banking Committee
EIOPC = European Insurance and Occupational Pensions Committee
ESC = European Securities Committee
FCC = Financial Conglomerates Committee
CEIOPS = Committee of European Insurance and Occupational Pensions Supervisors
CESR = Committee of European Securities Regulators

¹ Finance ministries
² Supervisors and Central Banks
³ Supervisors

The Larosière and Turner reports

CEBS supports

- Harmonised set of core rules
- Upgrading and strengthening of macro prudential supervision
- Colleges as the core structure for coordinated and aligned cross border supervision
- Peer reviews
- Strengthened role of host supervisors
- Strengthened role of 3L3 Committees

Key challenges

- Mechanism to bring about regulatory convergence
- Balance between the roles and responsibilities of the EU bodies versus national authorities
- Creation of a coherent and workable framework for crisis management in EU, including criteria for burden sharing
- Balance between the accountability and independence of the new authority

Convergence on Supervisory Practises

- Supervisory culture
- Common toolkit
- Colleges

Harmonised Regulatory implementation

- Peer Review Mechanism
- Supervisory Disclosure Framework
- Mediation Mechanism

New regulation in response to the crisis

- CRD – Gaps, pro-cyclicality and capital buffers
- Liquidity risk management
- Transparency and Valuation
- Remuneration
- Risk management

Conclusions

- Contribute to restoration of confidence in financial markets
- Contribute to the improvement of the EU Supervisory Architecture
- Enhance the regulatory harmonisation
- Move further on European convergence of supervisory practices



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