

European Commission's call for advice to CEBS on Own Funds

1. CEBS has received a call for advice from the European Commission on the review of the definition of own funds in which it is mandated to carry out an analysis of the capital instruments recently launched by the industry and to set out its views on the lessons to be learned about trends in the quality of regulatory capital. The analysis should include new instruments that national supervisors have recently been asked to consider for own funds purposes. New trends, market conventions and industry expectations should also be considered.
2. In that context, CEBS is publishing this on-line questionnaire where market participants are asked to provide answers to the following questions:
 - (i) What kind of innovative instruments have reached a reasonable market standing? Why? What characteristics do they have in common?
 - (ii) What are the main market conventions/factors that govern the issues of innovative instruments?
 - (iii) What new trends, e.g. in terms of domestic market structures and investors' appetite have you identified? What would prevent/alternatively favour the developments of innovative instruments?
 - (iv) What will be the characteristics of innovative instruments in the future?
 - (v) What are your key expectations and key concerns regarding the supervisors' approach to innovative instruments?
 - (vi) In your views as market participants, what main differences in supervisory approaches have the most important impact on the structure and quality of own funds?
3. The responses should be sent to of@c-eps.org **by 10 February 2006**. Responses will be published on the CEBS website unless otherwise requested.