

## Statement by Steven Maijoor on behalf of the ESAs

Committee on Economic and Monetary Affairs  
European Parliament

Steven Maijoor  
Chair  
European Securities and Markets Authority

Dear Chair, dear Members of the European Parliament,

Ladies and gentlemen,

It is our first meeting of 2016 – a year that began on a special note for the European Supervisory Authorities (ESAs) as the 1<sup>st</sup> of January 2016 marked the fifth anniversary of the establishment of the EBA, EIOPA and ESMA. In the past five years we have worked hard and focused on building three new authorities as well as the comprehensive implementation of the post-crisis regulatory framework in the banking, insurance and securities markets sectors. Neither challenge has been easy. However, throughout that time we have appreciated the strong support received from you, including in particular backing our budget requests as well as enhancing our tasks and competences.

This special anniversary is also a good time to reflect on our cooperation with you, notably in relation to the delivery of draft technical standards and technical advice to the European Commission. These are tasks that have been at the heart of the activities of the three ESAs since their establishment. Given the fact that the underlying founding Regulations and thus our governance as well as our experiences in this area are very similar, today we would like to share our preliminary views with you jointly. I am here with the Executive Directors of EBA and EIOPA and therefore trust that today's meeting will also allow for discussing any authority-specific issues if need be.

Let me start by saying that we believe we have established a productive and cooperative relationship with the ECON Committee during the first five years which is based on multiple channels of exchanges of views at different stages of the level 2 process. The three ESAs have introduced very transparent processes for public consultations – often involving two rounds – which allow substantive contributions at all stages of the drafting process. In addition, we are committed to holding in-depth discussions with ECON negotiation teams or individual members of this Committee, and we also actively participate in exchanges of views in public scrutiny hearings on a regular basis. At each stage of developing the level 2 measures we have made significant efforts to provide you with comprehensive oral and written updates on the ESAs' Boards thinking, in line with the legal framework governing the drafting process of technical standards. During the hearing of the three Chairpersons last September, we acknowledged your request to further improve the regularity and scope of the information provided to ECON during the process, and we are committed to this goal. Today we would value this meeting as an opportunity to further reflect on where and how this cooperation could be further enhanced.

Over the past five years the ESAs have delivered hundreds of draft technical standards and thousands of pages of technical advice. While not being present during the final stages of agreeing on the relevant EU sectoral legislation – typically in trilogue sessions – I want to underline that we have launched the internal development of level 2 drafts as early as possible, even if that required working with non-final documents, in order to meet very tight deadlines. Although we are specialised, independent authorities, we have actively supported the political need to ensure full and timely implementation of all regulatory measures towards creating stability, transparency and consumer protection in the financial sector. The fact that we are not present in trilogue sessions has made it more challenging to fully understand the intentions of the co-legislators behind the agreed legislation and the ESAs' empowerments. We therefore would welcome measures allowing us to obtain a better insight into the co-legislators' intentions when working on the level 1.

We have worked closely with national regulators in both our Standing Committees and our Boards of Supervisors to deliver what needed to be delivered as quickly as possible. We have also worked with the European Commission as successful implementation by market participants depends on its swift endorsement of our technical solutions.

This brings me to my next point, namely to the European Commission's early legal review of the ESAs' draft technical standards. Given the complex nature of the endorsement process

as well as the high expectations of all stakeholders to complete it in a timely manner, allowing also for market participants to get up to speed with the new rules, we developed jointly with DG FISMA a pilot project in the second quarter of 2015. The objective of the introduction of the early legal review was to enhance the speed of endorsement of draft technical standards after formal submission by the ESAs. The key element of the early legal review foresees a change in the timing of the performance of the review of the draft standards by the Legal Service of the Commission, which is a formal requirement in any case. Notably, we decided to involve the Legal Service before, and not only after, the submission of the final draft standards to DG FISMA.

Let me underline that the early legal review is not designed to focus on the assessment of the ESAs' policy choices outlined in the draft technical standards. The early review should not interfere with the independence of the ESAs on the one hand and the Commission's right to amend the received final proposals on the other hand. As with every pilot project, the early legal review will undergo a proper assessment both by the ESAs and the Commission. We will complete that assessment only when a substantial number of technical standards have been through the whole endorsement process, as the main benefits should become apparent towards the end of the process: a smooth endorsement of the technical standards drafted. Following that exercise we will – hopefully around summer this year – decide whether the early legal review proves to make the overall endorsement process smoother and therefore is worth being introduced into our standard process. For the evaluation of the early legal review it will be very important to hear your experiences and views.

I will stop here and thus welcome Members' questions: Adam Farkas, of the EBA, Carlos Montalvo of EIOPA and I stand ready to respond to them.

Thank you for your attention.