

23 October 2023

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**Statement by José Manuel Campa**  
**Chairperson of the Joint Committee of the European**  
**Supervisory Authorities (EBA, EIOPA and ESMA)**  
**at the hearing of the European Parliament's ECON**  
**Committee in Brussels on 23 October 2023**

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*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

Honourable Chair, dear Members of the European Parliament,

Thank you for inviting me to the hearing of the ECON Committee today. As Chair of the Joint Committee (JC), I have the honour to present its key activities from these last 12 months.

As its name indicates, the JC is the structure where the 3 ESAs join forces to tackle challenges that go beyond their respective sector. I will present concrete examples of this collaboration in 3 areas: risk assessment, sustainability, and digitalisation.

### **Cross-sectoral analysis**

Let's start with risk assessment. At the onset of the Russian aggression of Ukraine, the JC stepped up its risk monitoring to provide frequent updates to policymakers. Over the past year, we have focused on its ripple effects.

This is best illustrated in our joint spring and autumn 2023 risk reports. We found that even at the height of the US banking turmoil in March, the EU financial system remained stable. Yet, in this extremely uncertain macroeconomic context, there is no room for complacency.

Interest rate risks and credit risks are key concerns for banks, while asset managers should watch out for market risks and liquidity risks. Rising rates are affecting the value of fixed

income assets, harming insurers' profitability. In addition, we called on financial institutions and supervisors to brace themselves for asset deterioration.

I presented on behalf of the JC our findings to various EU policymakers. But we went beyond policy circles too. We reached out to financial services consumers and investors. Together with national authorities, we developed interactive factsheets in all EU languages helping EU citizens understand how increases in inflation and interest rates can affect their loans and savings, investments, insurance policies and pensions.

## **Sustainability**

Honourable Members, I would like to turn to another key area of cooperation: sustainability. With this summer being the hottest ever recorded in Europe, we are reminded of the importance of the green transition.

This transition must be built on reliable data. The JC has been active there, namely through the Sustainable Finance Disclosure Regulation (SFDR) where it delivered key RTSs. We will publish a review of the Level 2 measures very soon. More recently, the JC published its second annual report taking stock of voluntary disclosure of principal adverse impacts. We are finalising a draft RTS to better capture disclosures related to impacts of investments on the environment and society.

But work on sustainability goes beyond SFDR. This year, the JC finalised its RTS on the ESG disclosure for Simple, Transparent and Standardised (STS) securitisations, enabling market participants to understand the impact of their investment in securitisations.

Furthermore, as foreseen by the Corporate Sustainability Reporting Directive (CSRD), the ESAs also published their opinions on the draft European Sustainability Reporting Standards.

Looking ahead, the ESAs are developing, together with the support of the ECB and the European Systemic Risk Board (ESRB), a system-wide climate risk stress testing framework. It will assess the resilience of financial actors in line with the Commission's Fit-for-55 package.

## **Digitalisation**

Honorable Members, let me now turn to another major transition for the EU: the digital transition.

DORA lays down requirements to shore up the resilience of our financial system as it progresses towards more digitalisation. To accompany this transformation, the JC was tasked to deliver 12 policy mandates affecting actors across various sectors, some of them outside of our traditional remit. To tackle this, we are cooperating with many institutions including the ECB, ESRB, the Single Resolution Board (SRB), and ENISA, the EU agency for cybersecurity.

Building on this, the JC published its first batch of consultation papers on RTSs and ITSs. They address issues such as ICT risk management, classification of ICT-related incident, and third-party service providers.

Continuing on ICT third-parties, the ESAs just published a mapping of ICT third-party providers and their services to financial entities in the EU. Our report finds that out of those 15,000 ICT providers, the most frequently used ones often support key functions. This underlines the importance of our preparation for the Oversight framework for critical third-party service providers (CTPPs).

We published our joint advice to the Commission on CTPPs, providing detailed criteria to identify them. It also addresses oversight fees to be paid by CTPPs.

Finally, cybersecurity remains a key issue. Following an ESRB recommendation, we are developing a European systemic cyber incident coordination framework.

## **Conclusion**

Honourable Members, allow me to conclude by saying a few words about what's to come. As laid out in our 2024 work programme, the JC will continue to assess risks and vulnerabilities across the financial system.

We will keep promoting consumer and investor protection namely through financial education and support to the PRIIPs Regulation.

Regarding sustainable finance, we will support and monitor the implementation of SFDR and take part in the one-off climate risk stress test. We will also deliver our advice on greenwashing.

In digital finance, we will finalise DORA policy mandates and continue preparations for the Oversight framework on CTPPs. We will also continue our work towards the coordination of cyber incidents.

This concludes my remarks on the JC activities.