



CONSOB
COMMISSIONE NAZIONALE
PER LE SOCIETÀ E LA BORSA

“Reviewing the mandate, governance and operations of the European Supervisory Authorities”

Comments by
Carmine Di Noia

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Pros and cons

- EU Commission package is very welcome as it projects National Competent Authorities (NCAs) into the European landscape. NCAs need to adjust their organization and modus operandi. This is true, obviously for CONSOB: as national authority, we will have to take more into account EU and ESMA initiatives, being increasingly involved at an earlier stage than today.
- Executive boards of ESAs ok (in EBA and EIOPA: too much power to Chairperson?). 5 years mandate, renewable once ok but need of staggered board (differentiating initial appointment)

ESMA

- Stronger role over National Competent Authorities (independent reviews only of ESMA staff on resources, independence and governance) but also on other National Authorities (!?)
- Strategic supervisory plan
- EU Commission may ask ESMA to withdraw decision after input of SMSG
- New Committee on Financial Innovation
- New ESMA input to NCAs on suspect on market abuse

Need of more federal approach with direct supervision on SICMIs (Systemically Important Capital Market Institutions: cross-border and /or large size)

What's next?

- Short term: Package to be approved ASAP (2018)
- Long term (2020 ESAs revision):
 - ❖ Increasing number of ESAs Joint Committee documents
 - ❖ 79 Financial Conglomerates (last ESAs list).
 - ❖ Limits of 127(6) TFUE prevent from granting SSM prudential supervisory tasks on insurance
 - And, by the way, the European Central Bank may have “specific tasks [...] concerning policies relating to the prudential supervision of credit institutions and other financial institutions”
 - ❖ 114 TFUE good legal basis for ESAs (including supervisory tasks) after ECJ Short selling decision
 - ❖ (German) (old) Debate on the Separation Monetary policy/banking supervision
 - ❖ New EU Regulations (less Directives) in financial market regulation
 - ❖ CMU objective: Establish a genuine single capital market in the EU where investors are able to invest their funds without hindrance across borders and businesses can raise the required funds from a diverse range of sources, irrespective of their location
 - ❖ Brexit? OtherExit? Increasing coincidence of EU/Euro (ECB is a EU Institution; Juncker speech)?

Too late for:

- **having (regulation and) supervision ONLY at national level; too early to have supervision ONLY at the central/EU(ro) level**
- **having different (regulation and) supervision for different legal entities performing the same economic activities.**

Macro-stability, Micro-stability, Investor Protection (and Competition)

A true Euro(pean) Financial Regulatory Architecture?

- Financial Union for EU countries (or opt-out for no-euro countries)
- Federal model: central regulation; central supervision for systemically important institutions. National supervision for other entities.
- Stronger legal basis (114 or 352?) to SSM extended to insurance firms
- A crazy idea? Merger of Single Supervisory Board of the SSM with EBA and EIOPA?
- ... 4-peaks (separating macro and micro stability, investor protection and competition) irrespective of the nature of intermediaries; cancel one ESA
- National coordination committees at national and central level with policy makers (and EU Commission)

4-Peaks model for Euro(pean) Financial Union

