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A complex European financial architecture - 10 years on

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Abstract

The ESA Review confirmed the importance of the European Supervisory Authorities and the European Systemic Risk Board, established 10 years ago, but only led to limited changes in their structure. The European Securities and Markets Authority was given new competencies, but they remain limited in terms of the objective of creating a Capital Markets Union. Apart from the Single Supervisory Mechanism, member states prefer the cooperation rather than integration mode for their financial markets.

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Introduction

A specific European supervisory architecture is emerging, but post-crisis it is advancing more on an ad hoc basis than as a result of deliberate choices. The Review of the European System of Financial Supervision (ESFS) got bogged down in arcane details, and too great a focus on the lack of governance adjustment has so far prevented an in-depth assessment. The Review almost failed as a result of an unbalanced Commission proposal, the unwillingness among member states to advance and desire of the European Parliament to go much further. The final outcome is a step towards more integrated supervision, but it is very haphazard, and makes it difficult to see the wood for the trees. The outcome also needs to be seen in connection with other files, firstly the achievements of the Single Supervisory Mechanism (SSM), secondly Brexit and the supervision of central counterparties, and finally the elusive fight against money laundering.

Implementing the new rules should not be too difficult, given the limited degree of change, although increased supervisory tasks will raise resistance from member states. The functioning of the European Supervisory Authorities (ESAs) has become more complex as a result of the fine-tuning, and of their additional tasks, which will have an impact on its application. A contingent issue is the means available to the ESAs to effectively pursue their new tasks. The budget they will have at their disposal will, among other factors, depend on the increase in supervisory tasks, which differs now even importantly among the ESAs.

The 2017 ESA Review was not an example of efficient and transparent rulemaking, but the additional requirements related to money laundering and the progress on a parallel file related to central counterparty (CCP) supervision by the European Securities Market Authority (ESMA) have made it more important. The final outcome is a difficult to unravel file – the following discusses the main changes and their implications. It evaluates the more generic changes, applicable to the three ESAs, followed by the requirements specific to each authority, as a result of the Review or of separate pieces of legislation. This was the first review of the 2010 regulations, which were created by the EU in response to the financial crisis, following on from the recommendations of the 'de Larosière Committee'. We start with a brief evaluation of the first 10 years of the ESAs. For a more in-depth assessment of the accomplishments of the ESFS, there are the European Commission's impact assessment and other studies.[1]

The European System of Financial Supervision, 10 years on

Beyond any doubt, the ESFS has been a big step forward in European supervisory cooperation. Given the lessons of the 2007 and 2008 financial crisis, with its intense regulatory competition and lack of information exchange between supervisors in the EU, incompatible data templates and improper oversight, a strengthened structure for European regulatory and supervisory

[1] Input and comments on earlier draft are gratefully acknowledged, particularly from Valentina Allotti, Andrew Godwin, Jakub Michalik, Niamh Moloney, Jean-Paul Servais and staff members of the Financial Services and Markets Authority (FSMA), and colleagues at CEPS. The opinions expressed only engage the author. This article was originally drafted as a chapter for The Cambridge Handbook of Twin Peaks Financial Regulation, A. Godwin (eds.), forthcoming.

cooperation was long overdue. What has been achieved after only 10 years with limited means and a relatively small structure is remarkable.

The objectives at the start of the ESFS were to ensure more coherent and efficient financial supervision in the EU, at the micro as well as at the macro level. It established three different functional ESAs, and the European Systemic Risk Board (ESRB). The role of the European Banking Authority (EBA) was overtaken by the SSM, which was launched two years later, but both have managed to remain distinct and complementary.

Overall, the main focus of ESAs in the first decade was regulatory convergence, with the single rulebook as the *leitmotif*. The effort spent on preparing level 2 legislative measures, regulatory and implementing technical standards (RTS and ITS), was enormous, as was the effort spent on guidelines (level 3). Related to the guidelines were the Q&As on legislative acts within the remit of the ESAs. They have become a widely used tool to ensure a common EU-wide interpretation, endorsed by the Board of Supervisors.

The ESAs have made an important contribution to establishing a European supervisory culture, mostly through peer pressure. A multi-layered structure has been established, from the Board of Supervisors and the management board of each ESA, to the joint Committee of the ESAs, the various standing committees and the stakeholder groups. The ESRB is somewhat separate from that structure and is fully integrated into the European Central Bank (ECB).

The ESAs had initially only a few unique supervisory tasks, and these were limited to the ESMA, which is the unique supervisor of Credit Rating Agencies (CRAs) and Trade Reporting agencies. The expectation was that other unique supervisory tasks would follow, but this did not progress as rapidly as expected, and the European Commission did not propose it at the outset for obvious tasks such as Initial Public Offerings (IPOs), benchmarks and data providers. The initiative was only taken with the 2017 ESA Review, and is discussed below.

For the EBA, the supervisory tasks were overtaken by the creation of the SSM in 2012, although the EBA continues to be represented in the colleges of supervisors, and fulfils the non-eurozone dimension of coordination for EU-wide banking supervision matters. It needs to be added that the interaction between both entities has worked well since the start of the SSM, with the EBA focusing on regulatory convergence in the context of the single market, with much attention on the implementation of capital requirements provisions and the resolution framework, and the common supervisory templates (FINREP and COREP). But, also on the data collection and the stress testing side, both entities are complementary. The best proof and guarantee of this fluid cooperation was the appointment of EBA Chairperson Andrea Enria as the successor to Danièle Nouy at the helm of the SSM in January 2019.

As can be seen from the table below, the most important agency in terms of staff and budget is ESMA, followed by EBA and the European Insurance and Occupational Pensions Authority (EIOPA). The table gives the numbers for the Single Resolution Board (SRB) for comparison, which is not further discussed in this piece, but whose performance we analysed in another article (Lannoo, 2019a). The four different ESFS entities employed 696 persons at the end of 2018.

2018	EBA	ESMA	EIOPA	ESRB	SRB
Total staff	182+12=194	217+14=231	140+18=158	62.8+49.9=113	315+19=334
New staff by 2022*	+10 (by 2020)	+153	+51	--	--
Budget	€38.9 mn	€41.9 mn	€25.2 mn	€9.2 mn (only ECB staff)	€103.1 mn
Supervisory tasks	Participate in colleges of supervisors	Rating agencies (CRAs), Trade repositories, CCP supervisory colleges	Participate in colleges of supervisors	Warnings, recommendations, opinions	Prepare resolution plans and resolve banks
Review new tasks	AML coordination	Critical benchmarks, data providers, 3rd country CCPs	PEPP registration	--	--

Notes: The number of staff is divided between permanent staff and seconded national experts. In case of the ESRB, seconded national experts refers to the input from national central banks expressed in full -time equivalents (FTE).
Source: Latest annual reports or work programmes of the respective agencies.
** Estimates.*

The ESA Review

In the Review, published in September 2017, the European Commission proposed some changes in the decision-making structure of all the ESAs and an important expansion of the competencies of the ESMA. In September 2018, the Commission added further roles for the ESAs relating to the fight against money laundering. The ESMA changes were not expected by most market participants, and faced strong opposition from some countries, industry associations and firms. They had to be watered down substantially to ensure agreement by the European Parliament and the EU Council of Ministers, which was reached provisionally before the end of the 8th legislature of the Parliament, and finally adopted by the EU Council of Ministers on 5 December 2019. Opinions are still divided on the end-result, with some seeing it is a step forward, whereas other have argued the opposite. We will first discuss the horizontal changes, followed by the additional competences for ESMA, also as relating to the EMIR Review, for EBA and EIOPA.

Overall, the horizontal amendments refine the decision-making procedures of the ESAs, reinforce supervisory convergence, information exchange, and the peer review of supervisors, facilitate consultation, also for Fintech, and emphasise the role the authorities have to play in protecting consumers and promoting sustainable finance. The principles of proportionality and transparency are now written into the authorities' legal bases. The independence of the ESAs is further emphasised, and the role and composition of stakeholder groups of the different ESAs are further detailed.

The only change on the governance side is the strengthening of the powers of the Chair, who will be able to propose decisions to the Board of Supervisors on issues relating to breach of Union law, binding mediation and inquiries into financial products or institutions. The Chair sets the agenda of the Board of Supervisors. The decisions prepared by the Chair should adopted by the Board of Supervisors in a simplified non-objection procedure within 8 days. The Chair can now also vote in the Board of Supervisors, with a few exceptions. All this is an unexpected outcome of the proposed strengthening of the powers of the management board, by means of its replacement by a technocratic Executive Board, which was rejected by the member states.

As regards external relations, an enhanced supervisory regime should ensure that third-country equivalence is more transparent, more predictable for the third countries concerned and more consistent across all sectors. Enforcement practices should be in place in third countries for matters for which equivalence decisions have been adopted, where necessary including on-site inspections The ESAs are required to inform the EU institutions on the findings of its monitoring of all equivalent third countries. When a third-country competent authority refuses to conclude administrative arrangements or when it refuses to effectively cooperate, it will inform the EU Commission (Art. 33).

On supervisory convergence, the Board of Supervisors can set up peer review committees and the Management Board can set-up specific coordination groups. The ESAs are tasked to set Union Strategic Supervisory Priorities, but it is unclear what this means.

A new regulatory tool is the 'no action' letters. Unlike their US counterparts, EU financial watchdogs have no formal way to delay or suspend the enforcement of rules that would hurt a market or particular firms. US regulators, such as the Securities and Exchange Commission (SEC) and the Commodities and Futures Trading Commission (CFTC), have the flexibility to suspend parts of regulations where they are poorly drafted, unworkable, or need clarification. Art. 9c now foresees this possibility for the ESAs to provide opinions in case legislative acts, or any delegated or implementing acts based on those legislative acts, are liable to raise significant issues. This was strongly requested by industry, but it remains with the European Commission to decide.

Expansion of competencies means also an increase in the budget. But the Commission proposal to make financial institutions pay more to the budget of the ESAs was not maintained. In the end, the current system of 40% direct contributions from the EU budget, and 60% from the NCAs was kept, which means some member states pay proportionally too much in relation to the local financial activity. The income raised through supervisory fees for the budget of a respective ESA comes in addition, and are thus very important for ESMA, which is expected to get 156 additional full-time employees as a result of the new tasks discussed below.

ESMA's new responsibilities

The 2017 ESA Review was mostly about ESMA, as the Commission initially proposed giving the Authority more supervisory powers in four domains. This led to strong opposition from some countries, industry associations and firms and almost caused the demise of the proposal. Questions can be raised about the rationale of the sudden expansion of ESMA's powers in some of the fields mentioned, or why this was not done earlier. In the end, however, the expansion was limited to two fields, while CCP supervision was the subject of another proposal, EMIR 2.2.

The two new areas where ESMA will obtain unique supervisory competencies (as of 1 January 2022) relate to the licencing and recognition of **administrators of critical benchmarks** and **data service providers** (under MiFID II). These concern benchmarks that underpin reference volumes of at least €500 billion (such as Euribor). The new rules enable ESMA to authorise the administrators and monitor the equivalence of a third country's supervisory standards. It abolishes the Colleges of Supervisors that were only very recently set up in the 2016 Benchmarks Regulation. The same applies for approved publication arrangements (APAs), consolidated tape providers (CTP) and approved reporting mechanisms (ARM), which are to be uniquely authorised by ESMA. These data providers required a special licence since MiFID II (2018). The amendments allow ESMA to set supervisory fees, to conduct on-site inspections, and to impose fines and periodic penalty payments upon the entities concerned, as is already the case for rating agencies and trade repositories.

For certain public offerings and specialist investment funds, the transfer of supervisory tasks to ESMA was rejected, however. The rationale for these changes was insufficiently clarified and arrived unexpectedly. For public offerings, it targeted offerings of bonds, asset-backed securities, and offerings for specific types of companies, for instance property and shipping companies. For funds, it concerned venture capital (EuVECA) and long-term investment funds (ELTIFs). Both were seen as a limitation in the room for manoeuvre for smaller financial centres, and more especially as a direct attack on Luxembourg's specialisations, above all as regards bonds. But the draft amendments had not addressed the most important issue: allowing for single EU-wide initial public equity offerings (or additional rights issues) of high-growth stocks or blue chips. EU equity offerings today have to happen in the home member state of a company, this is in most cases the state where the company has its registered office, thus maintaining a strong home bias. EU-wide acceptance of prospectuses, or validity for a public offer in any member state should be possible after notification to each of the host member states, with ESMA maintaining a register.[2] But this remains cumbersome, as it also requires the translation of the prospectus into the local language(s), and eventually additional investor protection measures.

Another specific proposal to give ESMA more powers over delegation to third countries in asset management was also rejected. A draft Art. 31a had aimed at strengthening the coordination function of the ESAs to ensure that the competent authorities effectively supervised outsourcing, delegation and risk transfer arrangements in third countries. This was, however, again seen as hampering the freedom of local financial centres to act as booking centres for funds, while leaving the effective management of the assets in other places, mostly London. This could, however, still be proposed under the new coordination groups, discussed above, but it would require a qualified majority in the board of supervisors for approval.

The **supervision of third-country CCPs** is the third and most important area of expansion in ESMA's powers, which was not part of the ESA Review, but a consequence of Brexit, and the 'EMIR 2.2' proposal. Likewise, this change did not come about in a fluid way, nor was its rationale entirely clear: the EU centralises the supervision of third-country CCPs that have systemically important activities within the EU (Tier 2 CCPs), but not for its own CCPs, which remain mainly under national supervision. The changes are important, as it creates a new quasi supervisory structure within ESMA, the CCPs Supervisory Committee. The proposal was

[2] This is foreseen in Art. 25 of the revised prospectus regulation (2017/1129), adopted in 2017 as one of the first initiatives under the Capital Markets Union (CMU) programme. ESMA manages a consolidated register of all the nationally approved prospectuses.

adopted on 15 October 2019 in the EU Council of Ministers with Luxembourg abstaining and the United Kingdom voting against.

In its proposal, the Commission justified the streamlining of the supervisory framework for CCPs on the basis of the growing importance of CCPs in the financial system and the associated concentration of credit risk in these infrastructures. While EMIR sets out common prudential rules for all EU CCPs, the Commission has been of the view that practices in applying these rules are too divergent and that the supervisory arrangements need to be more consistent. ESMA had already raised concerns on several occasions about the divergence in supervisory practices of CCPs in the EU. An ESMA report of December 2016 highlighted the variety in supervisory approaches by NCAs as well as the variation in margin and collateral requirements. "ESMA noted that NCAs supervising similar CCPs in terms of size, systemic importance, nature and complexity of the activities adopted different approaches with respect to the frequency and depth of their review, including whether to conduct on-site inspections" (ESMA, 2016, p. 41).

EMIR 2.2 maintains the central role of the colleges for the effective supervision of Union CCPs, but it complements the EU-level supervision with a CCPs Supervisory Committee under the responsibility of ESMA. This Committee will with the help of ESMA staff monitor EU-based CCPs and supervise third-country CCPs, which will be paid for by supervisory fees. The CCPs Supervisory Committee will be composed of a Chair and two Independent Members, the competent authorities of member states where a CCP is established and, where applicable, the respective EU central banks, in most cases the ECB, which it has to consult. The committee is responsible for preparing draft opinions or decisions in relation to EU and third country CCPs for adoption by the ESMA Board of Supervisors. The Committee will participate in the supervisory colleges, but on a non-voting basis.

The CCPs Supervisory Committee will prepare technical standards for the functioning of colleges, conduct peer review analysis of the supervisory activities of all competent authorities in relation to the authorisation and the supervision of CCPs, and conduct stress tests. Most decisions by national authorities regarding CCPs (Art 24a.8) are subject to ESMA's prior consent. Any third-country CCPs have to be recognised by ESMA, and for those that would pose substantial exposure risk to the EU and the stability of its financial system, the Tier 2 CCPs, establishment within the EU may eventually be required. This implements the controversial 'location policy', which the ECB previously failed to implement, further to an EU Court ruling of the UK against the ECB (April 2015).

The requirements for these third-country CCPs to do business in the EU are very strict: 1) compliance with the relevant and necessary prudential requirements for EU CCPs, 2) compliance with EU central banks' requirements on liquidity, payment or settlement arrangements and 3) written consent allowing ESMA to visit its premises (Art. 25h). The European Commission stated that these requirements will be applied in a proportionate manner, following standards specified by the FSB (Financial Stability Board), an international body created following the G-20 gathering in 2009, to monitor and make recommendations about the global financial system. Reciprocal 'comparable compliance' will be established between ESMA and any third-country's competent authority (Art. 25a). In the event that the requirements are not met, ESMA could recommend that the EC declines to recognise the third-country CCP in question. ESMA can also impose fines or penalty payments on third country CCPs. All these requirements raised much controversy in the US, where the CFTC chair even raised it with the US President in January 2018, it is said, and also in the UK, which voted against in the EU Council of Ministers.

The EMIR-related amendments are only a halfway construction, however, and do not constitute another SSM, as the licensing of CCPs remains with national authorities, and ESMA powers are mainly targeted at third-country CCPs, with ESMA deciding to which tier a third-country CCP belongs. ESMA's role here is to contribute merely to supervisory convergence, although it can request prior consent of national decisions regarding CCPs.

Also the ECB wanted a direct extension of its powers in the domain of CCPs, but again without success. In June 2017, the ECB proposed a change to its statute, and more especially Art. 22, stating: "The ECB and national central banks may provide facilities, and the ECB may make regulations, to ensure efficient and sound clearing and payment systems, and clearing systems for financial instruments, within the Union and with other countries". The ECB said that this would give it an "enhanced role for central banks of issue in the supervisory system of central counterparties (CCPs), in particular with regard to the recognition and supervision of systemically important third-country CCPs clearing significant amounts of euro-denominated transactions". The European Parliament, however, considered this as an EU Treaty change, which led it to require additional safeguards, which the ECB saw as an infringement on its independence. Hence it withdrew the proposal on 20 March 2019. The ECB criticised the lack of ambition of the EMIR revisions, and the inadequacy of the supervisory structure, also involving the central bank, as liquidity backstop and lender of last resort (Coeuré, 2019).

EBA's enhanced role in combatting money laundering

The coordination of the fight against money laundering is the most important change regarding EBA, but it remains very limited, given the size of the problem. It was not part of the original ESA Review, but resulted from a later amendment related to President Juncker's 2018 State of the Union. The amendments give an increased role for EBA, although the effective increase in budget and personnel for this task is limited. The question thus arises whether this will change much, and whether it might backfire, as happened in 2012 with the creation of the SSM.

The amendments give a central coordination and information-sharing role to the EBA, in cooperation with national authorities, the other ESAs and the ECB in the fight against money laundering and terrorist financing (Art 9a). It is required to develop common guidance and standards for the prevention of money laundering, and to maintain a central database. It can, where appropriate, transmit information to the new European Public Prosecutor's office (EPPO).

The amendments foresee the creation of a new Committee within EBA composed of member states authorities in charge, the other ESAs and the ECB. They also allow EBA to draft regulatory technical standards for the collection of the necessary information to carry out its task. EBA can conduct peer reviews and perform risk assessments in respect of combatting money laundering, and issue recommendations to national authorities on the performance of this task. In case there is a third-country dimension, EBA will have a leading role in coordinating.

The EBA is authorised to request authorities to investigate breaches of EU law in relation to money laundering, and to consider imposing sanctions (Art. 9b). In case no follow-up occurs, the EBA may adopt a decision addressed directly to a firm (Art. 19e). In case a country is on the black list of money laundering centres, EBA shall not conclude equivalence agreements (Art. 33). This may rapidly create problems for the UK given its links with British Overseas Territories.

The additional responsibilities are onerous tasks, and the question arises whether just 10 extra staff is sufficient, given the clear deficiencies in the combat against money laundering. Money laundering is cross-border by nature and requires a solid and thorough approach. The finance ministers of six member states (the five largest (by GDP) and Latvia) called in an open letter (8 November 2019) for a European supervisory mechanism to tackle financial crime and money laundering. This indicates that some member states believe much more needs to be done, just at the moment that the EBA is embarking on its new tasks.

EIOPA, the least privileged

The insurance and occupational pensions authority's responsibilities changed the least, apart from the generic changes discussed above. An attempt by the European Commission to give it a unique supervisory task failed in the context of the pan-European Personal Pension Product (PEPP). EIOPA could have fulfilled an important role in stimulating the emergence of a large long-term savings plan, but this will now be more difficult.

In its original proposal, the PEPP was intended to generate large-scale portable, cost-efficient and simple long-term savings products that would be on offer alongside national pension product regimes throughout the EU. It would be uniquely authorised by EIOPA for the whole of the EU, to allow it to be portable and reach a large scale. The final compromise text eliminated several of the key features of the proposal. EIOPA's function has been relegated to simply that of maintaining a registry of all the PEPPs available in the EU and their providers. EIOPA could refuse to register a PEPP, but this would be a frontal attack against a member state who had just authorised it. And it would have to pass through the Board of Supervisors of EIOPA, where EIOPA management has a very limited say. EIOPA also has some PEPP market monitoring and intervention powers, but again under the control of its board (Lannoo, 2019b).

A minor change allows EIOPA 'upon request' to assist competent authorities in the decision relating to the approval of internal models (Art. 32), but this seems a mere consolation prize.

The ESRB confirmed in its role

Almost 10 years after its creation, the ESRB has undoubtedly done an important job in advancing the discussion about macro-prudential policies and monitoring systemic risk. It has however been almost entirely absorbed in the ECB and its governance is fully part of the central bank's structure. It has produced a few warnings, several recommendations, and plenty of opinions. It is composed of several committees, working groups and expert groups. Its main deficiency, as compared to other similar entities in other jurisdictions, is that it is purely advisory.

The amendments regarding ESRB are very limited and do not raise issues (Regulation 2019/2176). They essentially concern a few governance matters and adjustments to regulatory developments. The ECB President is confirmed as the Chair of the ESRB, which was only provisional before, while the Chair of the SSM Supervisory Board and the Chair of the SRB are also confirmed as members of the General Board of the ESRB. An amendment specifies the procedure for adopting warnings and recommendations, which indicates that the ESRB has started to make a difference.

But the ESRB's role, and above all its authority, has gradually grown, of which its output is a testimony. It is also increasingly formally mandated to submit advice, such as on systemically important CCPs as part of the EMIR 2.2 rules discussed above. In the amendments of the ESA review, the ESAs have to take the recommendations of the ESRB into account: "If the Authority does not act on a warning or recommendation, it shall explain to the ESRB its reasons for not doing so" (Art. 36). There are more than 50 references to the ESRB in the amendments, and the ESAs are also involved in the General Board of the ESRB.

Conclusion

Back in 2010, the ESFS was created almost from scratch, with important responsibilities given to four new entities. 10 years later, the ESAs and the ESRB have become essential elements in the EU's financial regulatory and advisory machinery, employing together over 700 people, and have become focal points for the sector. The ESAs have coordinated a wealth of regulatory standards, reports and guidelines. They have also slowly stepped up their supervisory work, most importantly in the case of ESMA with its unique supervisory tasks, but also its growing actions in the markets. This can be expected to expand further as a result of the amendments to Art. 9 regarding consumer and investor protection, following from the evidence of its first exercise of product intervention powers.

The decision-making in the ESAs remains very much oriented towards the member states, with the exception that the chair of an ESA now has a voting role in the Board of Supervisors and a stronger control of the agenda for decisions in the Board. But overall, member states' interests will prevail on sensitive issues, and a more EU-wide approach may be precluded. This was also clear from the debate on the new supervisory tasks. The calls for a more integrated structure and more streamlined decision-making will thus persist.

For the most important new supervisory task, the supervision of CCPs, it is to be regretted that the structure has become so byzantine, between ESMA's CCPs Supervisory Committee, the ESMA board and the national competent authorities. Such a structure is also maintained in the draft recovery and resolution procedures for CCPs, which is currently being discussed. This does not augur well if decisions have to be adopted rapidly, as will be the case when a CCP gets into trouble. It also makes little sense to leave so much power with member states, over a financial market infrastructure that is so concentrated and interconnected, with about 17 entities in the

EU (and 13 without the UK). But also in other areas, member states have stood up to protect their prerogatives, which is prejudicial to European market integration.

The ESA Review was a complex legislative exercise, which is also related to the fact that, 10 years after their creation, the different authorities and the ESRB have become fairly distinct entities. Bringing the Review together in one legislative file is a confusing exercise, which confirms what we have previously called for, namely, that in the future, reviews should be carried out separately for the 3 different ESAs, and for the ESRB. The organisations have evolved differently over the first 10 years of their existence, and each of them requires a distinct treatment in further reviews. This also makes it difficult to argue that the EU has moved closer to a twin peaks supervisory model. The creation of the SSM in the ECB was a big step in that direction, but the ESAs are headed more towards strengthening sectoral supervision, incrementally and at different speeds according to the sector, but not necessarily in a consistent way.

Any future review should start with a vision of what the EU wants to achieve in the financial sector and adapt the desirable European supervisory structure to that.

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