

Summary of public submissions received on the proposals of the de Larosière report regarding financial supervision in Europe

The total number of submissions received to date in reply to the public consultation on financial supervision is 116 (including those which arrived after the deadline of 10 April 2009, which were accepted). The breakdown is as follows (NB all submissions not containing a registration number for the submitting organisation have been classified as individual replies):

Public authorities:	26
Registered organisations:	16
Individuals:	74

Many of the submissions covered not only supervisory issues from the de Larosière report but also regulatory ones. A few did not touch on supervisory issues at all. Most congratulated the de Larosière group and broadly supported its conclusions, but some noted the lack of representativity of the group (being composed only of bankers with no representatives of other financial sectors nor of consumers or employees). The majority of contributions noted that more details are needed on the powers and composition of both macro- and micro-supervisors in order to reach definitive positions.

Submissions were received from public authorities in 18 EU and EFTA Member States and international bodies such as the IMF and the existing "Level Three committees" (for some Member States more than one submission was received from different public bodies – see annex).

On *micro-supervision*, all submissions from public authorities strongly or cautiously support the principle of the ESFS, with one exception, which withheld its support. But most submissions have issues of detail to express. Three submissions explicitly oppose binding powers for new ESFS authorities over national authorities. Most submissions highlight the need to resolve issues of governance independence and answerability in the ESFS, notably with regard to fiscal responsibility and burden-sharing arrangements. Most responses do not explicitly refer to the structure of the new authorities; of those that did, one favour "twin peaks" and four favour a unitary authority.

On *macro-supervision*, none of the responses from public authorities opposes the proposed ESRC but while some replies strongly support the proposal others support it conditionally upon further details being provided. Some favour an ESRC within the European System of Central Banks while others prefer it to be outside the ESCB.

The three EFTA submissions are supportive of the de Larosière proposals. They all support a unitary authority for micro-prudential supervision, and all advocate for observer representation of EFTA-EEA countries on both the ESFS and the ESRC.

The joint response of the existing level 3 committees is supportive of the de Larosière report (with the exception of one national delegation). On micro-prudential supervision, they emphasise the need for independence and accountability, and adequate legal powers (while recognising the legal challenges). They are open on the question of the number of authorities. Colleges of supervisors should remain at the core of supervision of cross-border groups in

their view. On macro-prudential supervision, they support the ESRC proposal, while emphasising that information should be fed in by micro-supervisors not individual institutions. The IMF supports a "twin-peaks" model for micro-supervision, with some direct supervisory powers at EU-level. It strongly supports the ESRC, advocating mandatory follow-up to ESRC recommendations and co-ordination with global bodies such as the IMF. Both responses argue in favour of strong participation by micro-prudential supervisors in the macro-prudential body.

The bulk of the contributions received are from financial sector associations and institutions, whether or not registered as representative interest groups, and views are diverse.

As a broad generalisation, those responses which refer to the *macro-prudential* proposals of the de Larosière report either cautiously or more openly support them, subject to further clarifications on the exact powers and composition of the ESRC. There is no explicit opposition to the ESRC proposal expressed in sectoral submissions. Many replies emphasise the importance of good linkage between the ESRC and micro-prudential supervisors, including exchange of information; others question the mechanism which will be used for ensuring follow-up to ESRC recommendations. A number of replies emphasise the importance of avoiding double reporting requirements and of confidential treatment of information received.

On *micro-prudential supervision*, a majority of sectoral submissions express cautious support for the proposal for an ESFS. A number note that in their view colleges of supervisors should be the heart of supervision for cross-border groups, with lead supervision by the home country supervisor (and EU level oversight). Views differed on the issue of binding powers for the ESFS authorities, and on the question of direct EU-level supervision of cross-border groups. Regarding supervisory structure (one, two or three bodies), the majority of contributions either do not refer to this question or favour three bodies. Contributions from insurance associations all oppose merging banking and insurance into one supervisory body. A small number of sectoral submissions favour "twin peaks" or a single supervisor.

One contribution from the pensions sector criticises the absence of any reference to pensions in the de Larosière report and argues in favour of a separate mandate for pensions in any new supervisory structure.

On timing, a number of sectoral submissions argue for a cautious, two-stage approach, as proposed by the de Larosière report. Very few of them explicitly favour a rapid approach.

Of the nine submissions from consumer and end-user associations, only four cover the issue of supervision. One opposes the ESRC because of lack of clarity as to its competences, and on micro-supervision supports a single EU supervisor for cross-border institutions, with strengthened national supervisors for other institutions. Another emphasises the general goals of equality and sustainability for financial supervision, and favours global level (not EU-level) macro-prudential supervision. A third agrees with the need for a macro-prudential supervision body, and on micro-supervision argues that co-operation between colleges of supervisors needs to be strengthened. Another argues in favour of European Agencies for both macro- and micro-supervision, with rule-making powers in the case of micro-supervision, while leaving day-to-day supervision at national level. All consumer contributions emphasise the need for independence and transparency of supervisory bodies, and for involvement of stakeholders including consumers (possibly via an advisory panel).

All of the three trades unions which responded argue for the need for consultation of employees by both micro- and macro-level supervisors, via a consultative panel. All support the principle of the ESRC, though one favours global-level co-ordination of macro-prudential supervision. Two of the three union responses support direct EU-level supervision of cross-border financial groups.

Annex - List of public submissions received

<i>Public Authorities</i>
3L3 committees (joint response)
Austria (finance ministry, financial market authority, central bank joint response)
Autorité des Marchés Financiers (FR)
Bulgarian finance ministry
Comisión Nacional del Mercado de Valores (ES)
Czech Central bank
Danish Financial Services Authority
EFTA EEA Standing Committee
Estonia finance ministry
Hungarian Financial Supervisory Authority
Hungarian Ministry of Finance
Hungarian National Bank
Iceland government
IMF
Ireland Ministry of Finance
Irish Financial Regulator
Latvian finance ministry
Netherlands Finance Ministry
NL Central Bank
NL Financial Market Authority
Norway (finance ministry, Central Bank & Supervisory authority joint submission)
Polish Financial Supervision Authority
Portugal Finance Ministry
Slovak Republic
Swedish FSA and Central Bank
UK (government and FSA)
<i>Registered Organisations</i>
Association fédérative internationale des porteurs d'emprunts russes (AFIPER)
Association of British Insurers (ABI)
Bundesverband Investment und Asset Management (BVI)
Comité Européen des Assurances (CEA)
Eumedion (NL corporate governance forum)
European Fund and Asset Management Association (EFAMA)
Fédération des Associations Indépendantes de Défense des Epargnants pour la Retraite (FAIDER)
Federation of Enterprises in Belgium (FEB)
Forum of European Asset Managers (FEAM)
German Insurance Federation (GDV)
Investment & Life Assurance Group (ILAG)
La Voix des Emprunts Russes
Luxembourg Banking association (ABBL)
Nordic Finance Trade Union (NFU)
Royal Institution of Chartered Surveyors (RICS)
UK Investment Management Association (IMA)
<i>Individuals</i>
Alternative investment management association
Association Française des entreprises privées
Association Française des Marchés Financiers
Association of Chartered Certified Accountants

Association of international life offices
Associazione Bancaria Italiana
Aviva
Banco Santander
Bank Track
Barclays
Baxter Financial Services
Bundesverband Deutscher Banken
German Association of Energy and Water Industries (BDEW)
BEUC (Bureau Européen des Unions des Consommateurs)
BIPAR (European Federation of Insurance Intermediaries)
BNP-Paribas
Business Reporting - Advisory Group
British Bankers' Association
Building Societies Association
BVR-DSG-VÖB-VDP (German Banking Associations)
Confederation of British Industry
Caisse des Dépôts and Cassa Depositi e Prestiti
Confédération Européenne des Associations de Petites et Moyennes Entreprises
CFA Institute Centre for Financial Market Integrity
Consumers International
European Association of Co-operative Banks
European Association of Public Banks
European Banking Industry Committee
European Financial Services Round Table
European Federation for Retirement Provision
European Savings Banks Group
Euroclear
European Banking Federation
European Contact Group
European issuers
F Roels
Fédération Bancaire Française
Fédération Européenne des Conseils et Intermédiaires Financiers
Federation of European Stock Exchanges (not for publication)
Fédération des experts comptables européens
Fédération française des sociétés d'assurance
Fédération française des sociétés d'assurance mutuelles
FIN USE
Futures and Options Association
Financial Services Consumer Panel
Groupe Consultatif Actuariel Européen
HSBC
Institute of Chartered Accountants of Scotland
International Capital Market Association
ING
Irish Stock Exchange
J P Marin Arrese
LIBA, SIFMA, and ISDA
M Wendschlag
MAF, SMABTP, MACSF
Managed Funds Association
M Grinover
NASDAQ OMX
Nederlandse Vereniging van Banken
NYSE-Euronext
Omgeo
Pan-European Insurance Forum

PriceWaterhouseCoopers
Quoted Companies Alliance
R K Associates
S Walby
Transparency International
UNI Europa
Unicredit
Unite the Union
Verbraucherzentrale Bundesverband
Which?
XBRL Europe
Zentraler Kreditausschuss