<u>Regulating financial services for sustainable growth</u>

A progress report – February 2011

1. Introduction

The European Union is in the midst of an ambitious and intensive programme of regulatory reform in the sector of financial services in the aftermath of the financial crisis.

As soon as the crisis broke, the EU acted promptly, coordinating the European economic stimulus package to promote recovery, applying the state aid regime firmly but flexibly so as to avoid distortions of competition while allowing banks to restructure, and increasing the amounts guaranteed by Deposit Guarantee Schemes (DGSs) up to €100,000 per account.

Following this first wave of "emergency" measures, the Commission launched a programme of reforms which implements the decisions taken by the G20 and aims at tackling more structural issues in the financial sector, with four main objectives. Firstly, **better regulation of the financial sector**, in order to strengthen and extend the financial services rulebook and ensure an appropriate functioning of markets and institutions. Secondly, **better supervision**, creating a consistent and effective supervisory and control structure for financial operators and markets in Europe. Thirdly, greater **consumer and investor protection** in order in particular to restore confidence in the financial sector. Fourthly, the setting of appropriate mechanisms for **crisis management** to ensure that failing banks can be wound-up in an orderly way without costs for taxpayers nor disruptions for the financial system and the economy as a whole.

These objectives should be achieved, while at the same time fostering and deepening the **single market for financial services**. Efficient and integrated financial markets have indeed a decisive role to play in order to stimulate economic recovery in Europe.

The roadmap for this programme was first laid out in the Commission Communication of 4 March 2009, "Driving European Recovery", and the plans were described in detail in its Communication of 2 June 2010 "Regulating financial services for sustainable growth". These documents set out a clear, comprehensive and consistent scheme of reforms with a clear timetable and end date. Within this framework, all of our legislative proposals are based on in-depth impact assessments and public consultations, in keeping with better regulation principles. They link into the Commission's overall strategy for growth and jobs. For instance, stability of the financial sector is one of the key objectives in the Annual Growth Survey.

One of the crucial elements of the package is the creation of a new architecture for financial supervision in Europe, consisting of three new European Supervisory Authorities for the banking, securities markets, and insurance and occupational pensions sectors[1], together with a European Systemic Risk Board (ESRB). The new structure has started work on 1 January 2011, less than two years after the report of the "Larosière group" that recommended its creation, an unprecedentedly short timeframe which illustrates the rhythm of the reforms and the commitment by all European institutions to drive them to completion.

The creation of the new architecture for financial supervision is a key milestone in the reform process, and therefore a suitable moment to take stock of the progress made, to recall the rationale and objectives behind the reform process, and to emphasise the urgency and importance of getting the full package in place in good time. There remains indeed significant work ahead: a number of proposals are still in preparation within the Commission or in discussion in the Council and Parliament. We cannot linger or delay these projects: European citizens expect us to complete the repair of our financial system in a comprehensive and convincing way.

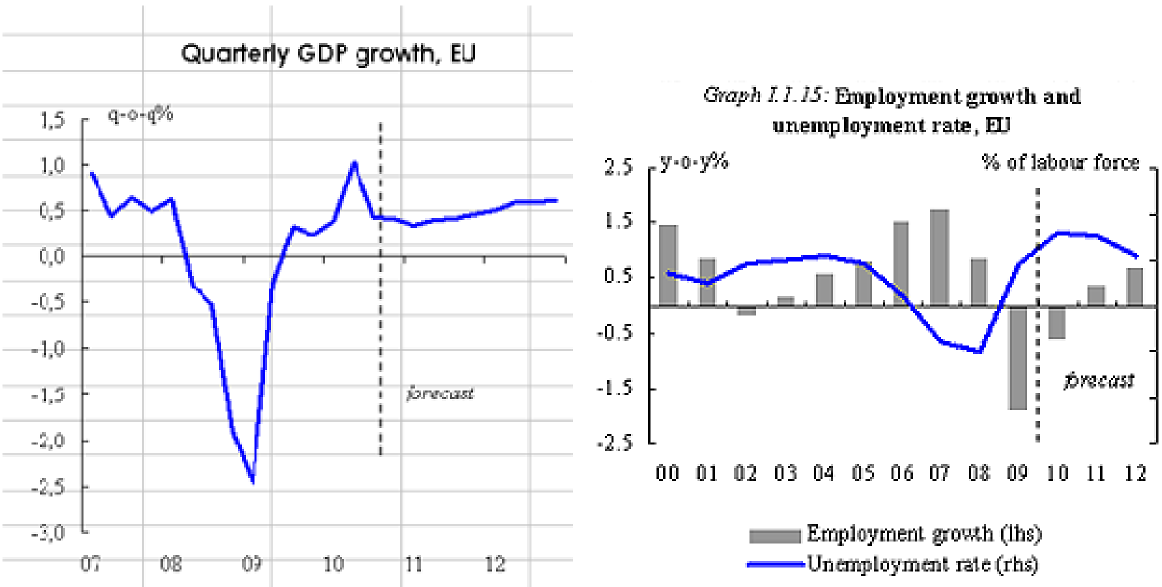
2. Lessons from the crisis

The still fragile economic recovery which we are witnessing does not justify the belief that the crisis is over. In fact, in the last months we have witnessed the transferral of the instability generated in the private financial sector into turmoil in the public sector. Many financial institutions are still on liquidity life-support from central banks and the significant costs caused by the massive taxpayer-funded bail-outs have caused in some Member States a major burden on the public purse and even a source of concerns regarding sovereign risk, which has led to disturbances on currency markets.

The financial crisis has had a dramatic effect on the real economy, through reduced lending to households and businesses, with serious knock-on effects on investment and employment. Furthermore, the strain on state resources caused by assistance to the banking sector has required austerity measures and cuts in public spending in a number of Member States, at a time when economic recovery is still fragile and counter-cyclical government spending as a means of assisting recovery could otherwise have been maintained and even reinforced.

[1] The European Banking Authority (EBA), the European Securities and Markets Authority (ESMA), the European Insurance and Occupational Pensions Authority (EIOPA).

Figure 1: some effects of the crisis in graphs



Source: European Commission autumn forecast 2010

Whilst the trigger of the crisis was an external shock, arising from the US sub-prime mortgage market and securitised products based on it, its underlying causes lie in the global macro-economic imbalances accumulated over a number of years and in a clearly inadequate regulatory and supervisory framework for the financial sector, which did not keep pace with to the intense process of innovation and globalisation in the last decades. Moreover, the reaction to the crisis in Europe was hampered by a lack of sufficient integration of macroeconomic policies and sectoral regulation.

Both within Europe and at global level, all those involved in the financial sector must bear a share of responsibility for the crisis, including financial institutions, governments and monetary policy authorities, regulators, supervisors, credit rating agencies and individual consumers. One of the main features of this collective failure was inadequate assessment and management of risk. Warnings from risk managers within financial institutions often went unheeded. Short-termist irresponsible risk-taking was not constrained by any checks and balances within firms. But regulators and supervisors also failed to deal with risk in a satisfactory way. A correct treatment of risk is therefore one of the key challenges for the new regulatory and supervisory setup for the financial sector.

The lack of coordinated and coherent policies and responses, both between different bodies within the same country and between different countries, is another weakness quickly exposed by the crisis, especially with regard to failing cross-border banks. In several cases supervisors in different jurisdictions failed to work together effectively to manage the crisis. And differences in rules aggravated the complexity of handling bank failures. Another lesson from the crisis is therefore the need for harmonised rules and good cooperation between supervisors dealing with different parts of the same cross-border group: a European response is vitally needed in this area.

The crisis was international - due to increasing global market integration in recent years - and called for an international response. This is why the G20 and its support body, the Financial Stability Board (FSB), are playing a crucial role in ensuring coherent policy responses worldwide. A number of EU Member States and the Commission are taking a proactive stance in these fora, which have adopted a number of major commitments leading to an un-precedent effort of regulatory convergence at the global level. The vast bulk of the legislative reforms that are part of the Commission's reform programme are directly linked to these G20 commitments. Europe's international credibility therefore requires a timely and strict implementation of these commitments.

3. Regulatory reform in Europe

The Commission has designed a coherent package of reforms of the rules applicable to financial institutions and markets, which take into account the lessons of the crisis and aim at preventing or at least mitigating future ones and better managing them if they occur. This package has been described as extremely ambitious. This is indeed the case: the exceptional depth of the crisis justifies a far-reaching and radical reform which sets the right incentives and infrastructures for a resilient European financial system in the future.

3.1 Financial Institutions: improved stability and governance

Appropriate regulation of individual financial institutions is necessary, be they banks, investment firms or insurance companies. These must include improvements to their stability, through strengthened prudential requirements, improvements to their internal risk management through adequate governance arrangements and incentive structures, and improvement in the information available about the state of their finances. Specific initiatives in this area are the following:

- Improved stability of financial institutions will be achieved through new rules on capital requirements for banks, investment firms and insurance companies. For banks and investment firms, the **Capital Requirements Directive** (CRD) has already been revised to reinforce capital rules for the trading book and for complex derivatives. For the insurance sector, the **“Solvency II” Directive**, which enters into force at the beginning of 2013 modernises capital rules for insurance companies in a way that is more detailed, stringent and risk-sensitive. The so-called **Omnibus 2-Directive** was proposed by the Commission in January 2011, ensuring the possibility of transitional periods under Solvency II, where necessary, in order to ensure a smooth transition towards the new capital rules.

- Better risk management in financial institutions will be facilitated by rules already brought in (via the 2010 revision of the CRD) governing **remuneration and bonuses** in financial institutions and reducing incentives for short-term risk taking. These new rules on remuneration will already apply to 2010 bonuses.

- Furthermore, the Commission has published a **Green Paper on corporate governance in financial institutions**, which will be followed up with a legislative proposal in 2011. This legislative proposal will improve risk control and oversight as well as enhance supervisory review of risk governance in financial institutions.

- An important gap in regulation has been plugged through the **Regulation on credit rating agencies (CRAs)**, which introduces strict authorisation requirements and supervision for CRAs). Rating agencies underestimated the credit risk of structured credit products and failed to reflect early enough in their ratings the worsening of market conditions, thereby sharing a large responsibility for the crisis. The Regulation already in force might not be enough to overcome all the risks related to the functioning of the rating business. Therefore, issues such as the "issuer-pays" model, the overreliance on ratings, the lack of competition in the sector and the specificities of sovereign debt ratings are being further explored with a view to further legislation in 2011.

- A further gap has been plugged with the **Directive on managers of alternative investment funds, including hedge funds (AIFM Directive)**. This Directive will have the effect that comprehensive data collected from previously opaque market players, such as hedge funds, will help supervisors to detect potentially systemic risks wherever they arise in the financial system and to respond as necessary, for example by limiting the use of leverage.

- **Accounting standards are being improved** in light of the lessons learned from the financial crisis, thus providing more accurate information about the internal situation of financial institutions. Stronger disclosure requirements concerning risks associated with financial instruments have been published by the International Accounting Standards Board (IASB), while stronger disclosure requirements concerning off-balance sheet exposures are being finalised.

- The Commission has also published a **Green Paper on auditing markets**, launching a reflection on regulation of audit companies and the structure of the market, which is highly concentrated, with only four big global companies. Several banks announced huge losses from 2007 to 2009 after getting a clean bill of health from auditors. Auditors clearly failed to carry out their role of sounding an alarm on unhealthy companies. Follow up measures to the Green Paper will be announced by the Commission in 2011.

- In 2011 **the CRD will be revised again, in order to implement the “Basel III” agreement** of the Basel committee of banking supervisors, which significantly increases the levels of capital which banks and investment firms must hold to cover their risk-weighted assets.

3.2. Markets: improved efficiency, integrity, liquidity and transparency

A number of initiatives are being brought forward to promote efficiency, stability, integrity and transparency on financial markets. These will remove loopholes in existing legislation and adapt it to rapid innovation on markets:

- Following a consultation launched in December 2010, a review in 2011 of the **Markets in Financial Instruments Directive (MiFID)** will improve transparency, efficiency and integrity of securities markets in several ways. For example, the scope of MiFID will be extended to new types of trading platform and financial products, thus removing some opaque areas of securities markets. Some derogations will be also removed, and transparency requirements will be extended to all kinds of securities, not just shares.

- The **Market Abuse Directive (MAD)** will also be revised to provide for a more effective prevention, detection and sanctioning of market abuses. Furthermore, a cross-sector legislative reform will be carried out to ensure that sufficiently deterrent sanctions are available to all national authorities for violations of key provisions of EU Regulations and Directives.

- A **Regulation has been proposed on Over-The-Counter (OTC) derivatives markets**. The draft Regulation contains a new requirement for standardised OTC derivative transactions to be cleared via central counterparties (CCPs). If a party to a transaction fails in mid-transaction, the existence of a CCP would remove the risk and uncertainty as to whether the transaction will be completed. A further obligation for OTC derivatives to be registered in trade repositories, with access for supervisors in the EU, will provide a better overview of who owes what and to whom and to detect any potential problems, such as accumulation of risk, early on.

- A proposed **Regulation regarding short selling and Credit Default Swaps (CDSs)** will increase transparency via a requirement for flagging of short orders on trading venues, and notification or disclosure of significant short positions relating to shares and sovereign debt (including through the use of CDSs). This will enable supervisors to detect when such transactions are reaching dangerous levels and consider intervention on markets.

- Further security will be provided by a planned **Securities Law Directive (SLD)**, which will ensure that intermediaries always posses the securities which they maintain for the account of their customers. In addition, envisaged **legislation on Central Securities Depositories (CSDs)** will further secure the post trading handling of securities till their final settlement.

- Against a background of commodity price volatility and insecurity of revenue for producers, the Commission is assessing concrete proposals to improve the integrity, oversight and transparency of commodity trading and commodity-related derivatives, as well as a range of measures to strengthen the functioning of physical markets. To this end, a **Communication on commodities and raw materials was adopted on 2 February.**

4. Consumers: better protection, confidence and inclusion

Restoring the confidence of consumers in the financial sector and the single market - and making sure this confidence is based on strong and sound foundations - is an essential element if the Commission's reform programme is to be successful. Partly this will be brought about by improvements in the internal working of financial institutions, including remuneration policy, and partly by measures directly aimed at consumers:

- The Commission has brought forward **proposals to reform Deposit Guarantee Schemes (DGS) and Investor Compensation Schemes (ICS)**, on top of recently agreed increase of the guaranteed amount (to € 100,000 under DGS, € 50,000 under ICS). The proposed revised Directives include improved payout times, better funding of schemes, and a proposal for interlinkages and a mutual support mechanism between schemes (both deposit guarantee and investor compensation), to ensure that schemes in difficulties do not fail, to the detriment of consumers. The Commission is also looking at the possibility of making the creation of **Insurance Guarantee Schemes (IGS)** obligatory in the Member States.

- A **legislative proposal in preparation on fair practices relating to mortgage credits** will improve the way in which mortgages are sold to consumers, analogous to existing obligations in place for consumer credit; and ensure that all mortgage lenders and intermediaries are properly regulated and supervised. This is essential to damp down property bubbles and prevent consumers taking on unsustainable mortgages under pressure from sellers.

- For **packaged retail investment products (PRIPs)**, a consultation has been launched on a planned proposal that all consumers in Europe will in the future be able to get short, focused, and plainly-worded information about investments in a common format, with risks and costs made much clearer and easier to understand, aiding comparisons. In addition, EU rules governing those selling the products will be made more consistent and standards raised where necessary.

- **Access to a basic bank account** is something which thirty million EU citizens do not benefit from. This will be changed under a Commission legislative proposal to ensure “financial inclusion” for all citizens, who so wish, via access to a basic account with electronic payment instruments.

- The **depositary framework for UCITS (Units for Collective Investment in Transferable Securities) will be further strengthened**. The depositary looks after the investors' assets, and steps will be taken to ensure investors' interests are consistently protected in cases of fraud (such as revealed in the Madoff case) or loss of assets by the depositary.

5. The reform of financial supervision in Europe

Better supervision and cooperation between supervisors will be a consequence of the changes to the European supervisory architecture mentioned above. The new **European Supervisory Authorities (ESAs)** will coordinate the work of national supervisors, ensuring agreement and coherent supervision through the use of decisions to national supervisors if necessary. They will be able to mediate and arbitrate in disagreements between national supervisors, and prevent them from implementing EU rules in an incorrect or inappropriate way. They will also facilitate the work of colleges of supervisors, a vital plank of policy for cross-border groups.

In certain specific cases, where EU-level supervision is justified, the ESAs can be called on to exercise this function: for example, ESMA will have from 1 July 2011 exclusive supervisory powers over credit rating agencies and will probably also be granted supervisory power over trade repositories under the proposed Regulation on OTC derivative markets.

The ESAs will have a vital role to play advising the Commission on "level 2" implementing legislation, and also in drafting technical standards in many areas laid down in sectoral Directives; these will harmonise many technical areas where rules currently diverge between Member States and contribute to the development of a Single European Rulebook for the financial sector. Moreover, the new rules in place will facilitate cooperation and coordination between the national supervisory authorities, so as to have an efficient network structure in place across the EU.

With regard to macro-level imbalances in the financial sector, the ESRB will monitor systemic developments, and issue warnings or recommendations to Member States or to supervisors; these will have a "comply or explain" obligation attached to them, and in cases of non-compliance and unsatisfactory explanation, the ESRB will have the option of publishing the warnings or recommendations. Such macro-level imbalances could be the development of asset price bubbles in one or more Member States, excessive concentration in the financial sector, or excessive reliance on risky types of financial products.

The interplay between the macro- and micro-perspective will allow for better supervision of individual firms as well as taking better account of issues such as interconnectedness and systemic risks. To this end, good cooperation between the ESAs and the ESRB will be crucial; they will exchange information, and be represented on each other's decision-making organs.

6. A crisis management framework for Europe

The regulatory and supervisory reforms described above will reduce the likelihood and severity of crises in the future. Indeed, the ESAs and the increased coordination between supervisors will provide a good EU framework to deal with emergency situations. Also the enhanced powers for national supervisors or the ESAs to impose temporary restrictions on naked short-selling and credit default swaps[2] should reduce market volatility and avoid downward spirals. But since there can be no cast-iron guarantee that no crisis will happen again, it is only prudent to have effective crisis management systems and measures in place in advance.

- The Commission launched at the end of 2010 a consultation for the establishment of a **crisis management framework in the EU**, with a view to a legislative proposal in 2011 to enlarge the toolkit of supervisors to deal with financial institutions in difficulty, including a requirement for banks to prepare "living wills" providing for their own dissolution in case of failure, and the power of supervisors to replace the Board, organise the sale of a financial institution or attempt to organise "bail-ins" of banks, by which its own shareholders contribute to the funding requirements of a failing institution.

- Moreover, a consultation has been launched on **envisaged new rules on "close-out netting"**, which will allow supervisors in emergency situations where a bank is failing and they have only hours to introduce resolution measures, to freeze the bank's outstanding transactions in progress and thus prevent the dissipation of its remaining assets.

7. Deepening the single market

The development of a single market for financial services is a longstanding policy objective of the Union. At the time when the crisis broke, considerable progress had been made in creating a single market in terms of cross-border provision of services at the wholesale level, which had not been sufficiently backed up with progress in integrating the regulatory and supervisory framework for financial institutions. In other words, while the "front office" of the single market for financial services has allowed many kinds of financial institutions being able to offer services across borders using a

[2] "Naked" short-selling is where the short-seller has not borrowed the securities which he is selling short.

“passport”, the “back office” aspects were lagging behind. Supervision was largely national, technical rules varied from Member State to Member State, clearing and settlement were not integrated, deposit guarantee schemes existed in isolation from each other.

Moreover, the crisis has itself led to a certain retrenchment of financial institutions behind national borders. If we emerge from the crisis with a less integrated financial market we risk making it even more difficult to grow in the future.

A revitalisation of the single market is therefore essential as part of our strategy for sustainable growth. The Communication "Towards a **Single Market Act"** of October 2010 is a key plank of this policy, going far beyond the financial services sphere, but including a number of measures relevant for this paper, proposing several of the consumer-related measures described above, and also for example, a proposal on granting a "passport" for venture capital funds to operate across borders. The Communication is currently subject to public consultation, which will close on 28th February 2011. The final version of the Single Market Act is scheduled for adoption by Spring of 2011.

In addition, most of the measures outlined above are not aimed only at enhancing the resilience of the financial sector. They will also directly contribute to deepening the single market for financial services. For example, the revision of MIFID will improve the allocation of capital in the single market through greater transparency; CRAs, hedge funds, private equity funds managers and certain credit intermediaries will be given a single passport; retail consumers of investment products will find it easier to shop around and get the product that best meet their needs. The Commission has also just proposed a Regulation setting an end date for the completion of the **Single Euro Payments Area (SEPA)** for direct debits and credit transfers. Once this Regulation is adopted by the Council and Parliament, there will be a clear date when all over the euro zone will be as easy and quick as domestic payments.

Finally, all of the measures which the Commission is proposing as part of the current reform package are based on resolutely European approaches. This includes ironing out variations in national rules and regulations via the introduction of a single European rulebook, creating a coherent system for supervision, and establishing interlinked networks of bank resolution funds and deposit guarantee schemes. These changes will in themselves contribute to strengthening the regulatory and supervisory underpinning of the single market, as well as constituting part of our crisis response.

8. Conclusions and next steps

The reform project just described is a comprehensive and coherent package, and its full success depends on the introduction of all of its parts. If one brick is missing, the strength of the entire structure will be undermined. For this reason, it is vital to pursue all of the reforms, and 2011 is a key year in this process.

At the time of writing, a number of important proposals are still under discussion in the Council and Parliament. These include: the proposals for improving Deposit Guarantee Schemes and Investor Compensation Schemes, the proposed Regulation on OTC derivatives, the proposed Regulation on short-selling and credit default swaps, and the SEPA Regulation.

In addition, the Commission is preparing sixteen further legislative initiatives[3] which will be adopted by the end of 2011, with the majority of them adopted in the first half of the year. These will include the key proposals on a crisis management framework and the incorporation in the EU of the Basel III agreement on bank capital via a revision of the CRD. The consumer-oriented proposals, on PRIPs, access to a basic bank account and responsible lending and borrowing, and a Communication on commodity markets, will be adopted by early to mid-2011. Proposals on the review of MiFID, the review of the MAD, the review of the CRA Regulation, greater convergence in the area of sanctions, and corporate governance will follow slightly later in the year. The Communication on commodities and raw materials, adopted on 2 February 2011 is also of key importance and relevance to the financial services reform programme. This timetable will be achieved without sacrificing at all the Commission's commitment to better regulation, with full public consultation and in-depth impact assessments.

In parallel to this ambitious programme, the Commission will facilitate the launch of the new European supervisory framework. The new authorities have just been created, their Chairpersons will be appointed in the first quarter of the year, and they will have to be able to deliver a significant output already in 2011. This will include conducting new stress tests for banks, providing advice to the Commission in many areas including reform of legislation on occupational pensions, and drafting technical standards where laid down in sectoral Directives[4].

The Council and the Parliament have so far shown the ability to reach agreement quickly on important and complex legislation, despite the vital issues at stake. The Commission is confident that this will continue to be the case, allowing all of the proposals in the package to be adopted in good time for entry into force early in 2013. New legislation will be directly applicable where this is feasible, thus eliminating the need for transposition time and the risk of variation in national transposition. Following adoption of all these legislative items, implementation must be carefully phased-in so as not to damage the real economy. It has been alleged that some of the planned legislation will affect the ability of banks to lend to the real economy. It is important to achieve clarity on these issues. We are therefore planning, for the first half of 2011, an assessment of the cumulative impact of the main measures affecting the economy.

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[3] These are listed in annex 1. The number could be more than sixteen if certain initiatives are split up into distinct proposals. This number only refers to "level 1" proposals, not implementing legislation for adoption by the Commission.

[4] These technical standards will harmonise many technical areas where rules currently diverge between Member States and contribute to the development of a Single European Rulebook for the financial sector.

European solutions will not be successful in the absence of global coordination. This is why international coordination, in the G20, the FSB and elsewhere, must be pursued vigorously. Leading financial jurisdictions worldwide must introduce compatible and coherent reforms and converge not diverge, for example in the area of accounting rules. Without close coordination, there is a risk that the reform process in different major jurisdictions may take different paths, and this could undermine efforts to avoid and mitigate future financial stresses. All G20 members must also implement their commitments rapidly, as the EU is doing. Ensuring this will be a priority for the Commission going forward.

All the texts of the reform will be adopted by the Commission by the end of 2011 at the latest. The overall objective is to put the conditions in place to restore the financial sector to its primary social function of supporting long-term job creation and the real economy in the EU. Once this is achieved, we should take stock of what we have accomplished, and continue monitoring closely the impact of our actions on the economy. As part of this, three years after the creation of the new supervisory architecture, in 2014, a fundamental review will be carried out, to determine if it has fulfilled the aspirations with which it was conceived, and whether any further modifications are necessary.

The reform process is half completed. The second half of the programme must be finished on schedule, so that Europe's financial sector, its economy and its citizens can be better protected in the future.

Annex 1 – Indicative list of outstanding and forthcoming legislative proposals

MEASURES CURRENTLY UNDER NEGOTIATION

Initiatives	**Commission adoption**	**Situation**
Revision of the Deposit Guarantee Schemes Directive (DGS)	July 2010	Work is progressing in C and EP.
Revision of the Investor Compensation Schemes Directive (ICS)	July 2010	Under discussion in C and EP. Possible adoption under HU Presidency.
OTC Derivatives – Regulation on market infrastructure	September 2010	Work is progressing in C and EP. Priority of the HU Presidency.
Regulation on short selling/credit default swaps	September 2010	Work is progressing in C and EP. Adoption possible by spring 2011. Priority of the HU Presidency.
Regulation on SEPA (Single European Payments Area)	December 2010	Work in C and EP just initiated.
Revision of the Financial Conglomerates Directive (FICOD)	August 2010	Council reached a general approach on 17 November 2010. Adoption possible during HU Presidency.
2nd Directive clarifying the powers of the ESAs, particularly with regard to Solvency II ("Omnibus II")	January 2011	Work in C and EP just initiated. Priority of the HU Presidency

MEASURES TO BE PROPOSED

Initiative	**Indicative timing for Commission adoption**
Legislative proposal on access to a basic payment account	May 2011
Directive on credit mortgage	March 2011
Securities Law Directive	May 2011
Revision of the Market Abuse Directive (MAD)	May 2011
Review of the Markets in Financial Instruments Directive (MiFID)	May 2011
Revision of the Capital Requirements Directive (CRD4)	Q2 2011
Directive: UCITS – depositories function & remuneration	Q2 2011
Revision to the Directive on Packaged Retail Investment Products (PRIPs)	Q2 2011
Implementing measures for Solvency II ("level 2")	Q3 2011
Legislation on corporate governance in financial institutions	June 2011

Crisis management legislative proposal	June 2011
Implementing measures for CRA Regulation ("level 2")	July 2011
Further amendments to the Credit Rating Agencies regulation	Autumn 2011
Revision of the Insurance Mediation Directive (IMD)	December 2011
Review of the Directive concerning Institutions for Occupational Retirement provisions (IORP)	December 2011
Insurance Guarantee Schemes proposal (IGS)	December 2011

Annex 2 – schematic representation of policy initiatives