

European Compliance Bulletin



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Introduction

The European Compliance Bulletin is a digest of material drawn from carefully selected sources plus a roundup of relevant market news from the European Union and European Economic Area (EEA).

Ordinarily, readers should be able to obtain all of the basic information they need on these publications from our Bulletins. However, access to original source material – from English language sites - is provided by way of a link at the end of each article. Where we feel that benefit will be gained from reading the source material we will say so. Readers should note that in some instances, there may be benefit from reading the original source material in the language of origin.

We strongly recommend that European Compliance Bulletins are retained for future reference. They should also be used as the basis of the Compliance Implications section of the Compliance Officer's Report. For more information on UK domestic issues, please refer to the Compliance Bulletin; available on request from our Birmingham office in the United Kingdom.

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The purpose of this index is to enable readers to readily identify those articles in the European Compliance Bulletin that are most likely to be of interest to them. We do however suggest that this bulletin should be read in its entirety.

- 1 European Commission Consultation regarding the Review of the Financial Conglomerates Directive
- 2 European Commission adopts additional legislative proposals to strengthen financial supervision in Europe
- 3 European Commission consults on the measures necessary for a new EU framework for Crisis Management in the Banking Sector
- 4 European Commission sets out future actions to strengthen the safety of derivatives markets
- 5 3L3's Work Programme for 2010 published together with those for CEBS, CEIOPS and CESR
- 6 CEBS and CEIOPS publish advice on issues related to the current application in the areas of definitions and terminology, scope and internal control requirements of the Financial Conglomerates Directive
- 7 CEBS publishes its advice on the effectiveness of a minimum retention requirement for securitisations
- 8 CEBS consults on disclosure guidelines reflecting the lessons learnt from the financial crisis
- 9 CEIOPS publishes its Consultation Paper No.78
- 10 CEIOPS third set of advice on Solvency II Level 2 Implementing Measures is released for public consultation
- 11 CEIOPS submits to the European Commission its Final advice on Solvency II Level 2 Implementing Measures
- 12 CESR consults on definition of advice under MiFID
- 13 CESR, CEBS and CEIOPS publish paper on supervisory implementation practices across EU of Third Money Laundering Directive
- 14 CESR proposes requirements for management company passport and improved investor disclosures for UCITS
- 15 CESR publishes feedback statement and Q&A to its consultation on MiFID's complex and non-complex financial instruments
- 16 Entry into Force of the UK/Jersey Tax Information Exchange Agreement
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European Union Commission

1 European Commission Consultation regarding the Review of the Financial Conglomerates Directive

Who does this affect? All authorised firms.

Our Comment: Of interest to groups

The present consultation addresses the review of the Financial Conglomerates Directive (FCD), as foreseen in its review clause. The Commission Services asked CEBS' and CEIOPS' Joint Committee on Financial Conglomerates (JCFC) to deliver an Advice regarding specific items in the Directive and aimed at attaining the objective of the FCD, the supplementary supervision of regulated entities that form part of a conglomerate. The directive provides such supplementary supervision by focusing on potential double gearing (multiple use of capital) and on risks of contagion, complexity, concentration, and conflicts of interest, the so-called group risks.

http://ec.europa.eu/internal_market/financial-conglomerates/docs/20091106_questionnaire_fcd_review.pdf

ECB 301109a

2 European Commission adopts additional legislative proposals to strengthen financial supervision in Europe

Who does this affect? All authorised firms.

Our Comment: New supervision regime intended for 2010

The European Commission has adopted additional legislative proposals to further strengthen financial supervision in Europe. Following the adoption of a legislative package to strengthen financial supervision in Europe on 23 September 2009, including the creation of a European System of Financial Supervisors with three new European Supervisory Authorities, the Commission proposes to make targeted changes to existing financial services legislation to ensure that the new Authorities can work effectively. In particular, these proposals lay down in detail the scope for the Authorities to exercise their powers, ensuring a more harmonised set of financial rules through the possibility to develop draft technical standards, settle disagreements between national supervisors and facilitate the sharing of micro-prudential information. The package will now be sent on to the Council and the European Parliament for consideration.

These legislative proposals complement a package of proposals on financial supervision presented by the Commission on 23 September (IP/09/1347). In addition to proposals to create a European Systemic Risk Board, the package envisages the creation of a European System of Financial Supervisors (ESFS) for the supervision of individual financial institutions ("micro-prudential supervision"). The ESFS will consist of a network of national financial supervisors working in tandem with new European Supervisory Authorities, created by the transformation of existing Committees for the banking, securities and insurance and occupational pensions sectors. There will be a European Banking Authority (EBA), a European Insurance and Occupational Pensions Authority (EIOPA), and a European Securities and Markets Authority (ESMA).

The new Authorities in the ESFS will take over all of the functions of the existing committees, and in addition have certain extra competences, including the following:

- Developing proposals for technical standards, respecting better regulation principles;
- Resolving cases of disagreement between national supervisors, where legislation requires them to co-operate or to agree;
- Contributing to ensuring consistent application of technical Community rules (including through peer reviews);
- The European Securities and Markets Authority will exercise direct supervisory powers for Credit Rating Agencies;
- A coordination role in emergency situations.