

4.

## Consultation on Operations of the European Supervisory Authorities

*IRSG Response*

## Key Points in IRSG Response

- ❑ **EIOPA has been successful** in increasing supervisory knowledge and **convergence** across the EU although the extent to which EIOPA can achieve true supervisory convergence is **limited by its current governance** structure.
- ❑ A very large majority of members believe that it is essential that the ESAs **preserve the appropriate sectoral expertise** in respect of insurance and banking supervision although a small minority of members believe that insurance and banking supervision could be combined.
- ❑ A very large majority of members believe the **combined conduct and prudential framework** should continue and a small minority advocate for a dedicated conduct supervisor.
- ❑ The **governance of EIOPA could be enhanced** by introducing more independence, separation of responsibilities and transparency into the current framework.
- ❑ The **development of excessive and unnecessary instruments** by EIOPA, which although non-binding can have legal implications, should be avoided.
- ❑ **EIOPA has sufficient tools and powers** to achieve a degree of supervisory convergence. Additional EIOPA powers for internal models would not be appropriate. There is a small minority view within the IRSG that EIOPA should assume more powers in respect of consumer protection.
- ❑ EIOPA's **role in equivalence assessments should be preserved** and its advisory role could be strengthened in specific cases in a targeted manner.
- ❑ The **IRSG's balanced composition, independent membership and transparent approach provides an important part of the governance of the ESAs** in the spirit of the overall European Union objectives.

## Key Points in *Draft Joint Stakeholder Group follow-up message*

- ❑ The value of the SGs stems from their contributions to their respective ESAs, including input on **consultations**, **own initiative** work and **direct interaction** with ESAs staff
  - The capacity to **act in a pro-active way** is an effective tool to provide value added.
- ❑ The effectiveness of the SGs work for the ESAs can be improved through
  - a **more systematic feedback** on all SG positions (including on own initiative works)
  - **clearer link with the BoS**, including the possibility that the SG Chairs/Vice Chairs present the input of the SGs work at the BoS before a decision is reached on selected issues.
- ❑ There should be **regular meetings** between the **SGs and BoS** and between the SG Chairs/Vice Chairs and the **management** of the ESAs.
- ❑ The SGs would welcome a framework that enables **continued joint high-level work** across the different SGs in the future, in particular as regards joint consultations by the ESAs Joint Committee.
- ❑ Adequate compensation and adequate secretarial **support** for SG members enables the SGs to perform effectively and some improvements could be made in this regard.
- ❑ **Clarification** of the powers of the ESAs to use various **convergence** tools is welcome, in particular
  - The ESAs should have more **accountability** in providing advice to **L2 legislation**.
  - More **transparency** is needed in the development of **L3 texts**.