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EC consultation on the operation of the ESAs

Michaela Koller
OPSG, 26 April 2017

ESAs Review - Overview

Background

- EIOPA Regulation 2010
- Three yearly review clause
- First EC review published: August 2014
- Current EC consultation: 21 March-16 May 2017

Timeline

- Possible legislative proposal: by EC end 2017
- Current Commission term ends in 2019

ESAs Review – EC Consultation

Scope of consultation

- Tasks and powers
- Governance
- Supervisory architecture
- Funding

ESAs Review – main messages first OPSG draft

Tasks and powers

- Guidelines

- Concern over number of guidelines issued by EIOPA
 - own initiative ./ . mandated
- Concern over effect of guidelines → in practice effectively binding

- Powers

- In excess of 70 powers and tasks in EIOPA Regulation
 - over half can be classed as ‘powers’
- Better and full use of existing powers would be welcomed
- No new powers currently necessary

ESAs Review – main messages first OPSG draft

Governance

- Improvements would be welcomed
- Greater role for OPSG and weight of its advice
- Improved interactions
 - Transparency
 - Board of Supervisors
- Greater role for stakeholders
- Reappraisal of Chairperson's role and tasks

ESAs Review – main messages first OPSG draft

Supervisory architecture

- Preference for standalone EIOPA
- Pensions and insurance expertise must be maintained
- Pensions work in international fora to be done with pensions expertise
- Careful balance on consumer protection with national supervisors

ESAs Review – main messages first OPSG draft

Funding

- No full industry funding as EU's oversight function would diminish
- Maintain existing channels of funding via NCAs

ESAs Review – Input received

Feedback received by

- Fieke
- Bernard
- Philip

ESAs Review – Input received

Tasks and powers (1/3)

- Request to ensure cross-sectoral convergence (pensions, insurance and investment)
- Request to enhance cross-sectoral level playing field (pensions and insurance)
- Request for no cross-sectoral convergence (pensions, insurance and investment)

ESAs Review – Input received

Tasks and powers (2/3)

- Reminder that IORPs are not pure financial institutions -> i.e. differing supervision
- Emphasis on supervision at national level for occ. Pensions
- Request to add further synergies between ESAs and with NSAs
- Stress on fact that EIOPA currently stretches its mandate (Philip) -> e.g. 2017 IORP stress tests, and Pan-European Occupational DC
- Propose independent procedure to check guidelines

ESAs Review – Input received

Tasks and powers (3/3)

- Use of concepts of consumers and investors
- Rejection of using the concept of consumers in occ. pensions
- Question over costs and added value of increased international role of EIOPA
- Stress on cost implications of further powers on data collection and reporting

ESAs Review – Input received

Governance

- Support for a greater role and weight of OPSG
- Query over larger role for external stakeholders in governance
- Supports the Chairperson's dual role in BoS and MB
- Echo the need for role of EP as mechanism for checks and balances
- Proposal for voting change -> only IORP markets vote on IORP issues

ESAs Review – Input received

Supervisory architecture

- Apparent consensus over stand-alone EIOPA

ESAs Review – Input received

Funding

- Question over IORPs role in funding the ESAs
- Rejection of industry role in funding the ESAs

ESAs Review – OPSG revised timeline

Revised timeline

26 April	OPSG meeting & presentation
5 May	Circulation of second OPSG draft
11 May	Deadline for OPSG to confirm agreement
16 May	Deadline to submit OPSG response to Commission

Contact

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