



EIOPA

Approach to Impact Assessment

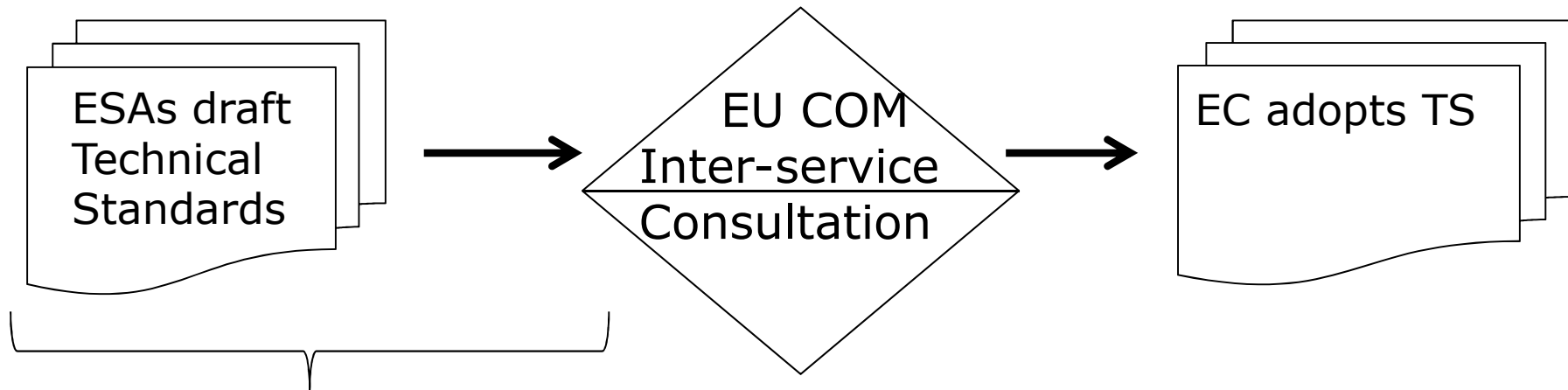
IRSG

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Advantages of doing IA

- ✓ **Better quality** of policy making
- ✓ More **transparent** policy making
- ✓ Better **communication** with regulated firms
- ✓ Compliance with **legal obligations** for ESAs
- ✓ Practice **in line with EU policy** & OECD Guidelines

Quality Assurance for Technical Standards



Quality Process at ESAs:

- Coordination with In-house IA expert,
- Prioritisation (discussion with EC),
- Advice from IA Advisers Network,
- Use Tools (templates)
- IA Advisers Network check

The 8 steps



1. Identifying **the problem**, i.e. the market or regulatory failure, and the threat it poses to one or several regulatory objectives; establishing the *baseline scenario*
2. Stating the regulatory policy **objective** and linking it to the high-level regulatory objectives
3. Developing several **policy options** to achieve the regulatory policy objective
4. Analysing the positive and negative **impacts** of each policy option
5. Comparing options through the net impact and **identification of the preferred policy option(s)**
6. Consulting on the **draft policy proposal** and the IA report which accompanies it
7. Publishing the **responses** received and giving public feedback
8. Once it is implemented and enforced, **keeping the policy under review** as appropriate



IMPACT ASSESSMENT OF EACH PROPOSED POLICY (OPTION)			
Benefits & Costs	Qualitative description	Quantitative description	Monetary value
Benefits			
Costs to regulator (direct costs: one-off, ongoing)			
Compliance costs (one-off, ongoing)	} Indirect costs		
Quantity of products offered			
Quality of products offered			
Variety of products offered			
Efficiency of competition			

TOOLS: Policy Options Overview Template



Policy Option	Party Affected	Impact					
			Sub-category	Type (direct costs, indirect cost, and benefit)	Effect (- /?/+)	Likelihood (L/M/H)	Timing (S/L/P)
Option 1: [...]	Policyholders / Consumers						
	Industry	by size*	small				
			medium				
			large				
		by LoB	significance and difference may vary by policy issue				
	by coverage of markets	one country some countries					
many countries with significant third country coverage other category please state							
Supervisory authorities		sector supervisor					
		twin peaks model					
		unified financial supervisor					
		other?					

Thank you!

Questions?

