



#FinSupervisionEU
#CMU

CAPITAL MARKETS UNION: STRONGER SUPERVISION OF FINANCIAL MARKETS

WHAT IS THIS PROPOSAL ABOUT?

The Commission is proposing an overhaul of financial supervision in the EU. Our goals:



MAKING
SUPERVISION
MORE EFFICIENT



MOVING AHEAD
WITH THE CAPITAL
MARKETS UNION



REDUCING AND
BETTER MANAGING RISKS
TO FINANCIAL STABILITY

THE EUROPEAN SYSTEM OF FINANCIAL SUPERVISION

Created in 2010 as part of the EU's response to the financial crisis.

The European Supervisory Authorities contribute to the development of a 'Single Rulebook' for regulating financial institutions and markets in the whole EU.

They promote EU-wide convergence of supervisory practices, help to protect consumers and investors and promote financial stability.

The European Systemic Risk Board issues warnings and recommendations in case of risks to financial stability in the EU.

WHERE WILL CHANGES BE MADE?

EUROPEAN SUPERVISORY AUTHORITIES (ESAs)

Supervision of individual banking, investment, insurance and pension markets (**micro-prudential supervision**)



Individual national and EU supervisors

Oversight of risks in the financial system as a whole (**macro-prudential supervision**)





“More integrated financial supervision will make the Economic and Monetary Union more resilient. Our pragmatic proposals will also make it easier for our companies to operate cross-border and build consumer trust.”

Valdis DOMBROVSKIS

Vice-President in charge of Financial Stability, Financial Services and Capital Markets Union



“Strengthening the system of supervision ensures that the financial system helps deliver investment, jobs and growth to the benefit of individuals and businesses.”

Jyrki KATAINEN

Vice-President responsible for Jobs, Growth, Investment and Competitiveness

WHY ARE CHANGES NEEDED?

- More seamless supervision promotes more integrated financial markets in the Capital Markets Union
- ESAs’ mandates need to deliver uniform application of EU rules across the EU
- Decision-making in ESAs and ESRB needs to ensure best outcomes for EU as a whole
- The EU should develop and integrate capital markets further in the context of the UK’s exit
- Cross-border risks between EU and rest of the world have to be addressed effectively
- ESAs need adequate funding for their increasing tasks

WHAT ARE THE MAIN CHANGES PROPOSED?



Better coordination of supervision across the EU



More efficient decision-making with clear EU focus



Enhancing the means for effective supervision



First steps towards a single capital markets supervisor



ESAs to be funded not only by taxpayers but also by industry



ESAs to promote work on FinTech and sustainable finance



A more effective European Systemic Risk Board

WHAT WILL HAPPEN NEXT?



The European Parliament and the Council will discuss the proposal.

