



EU Financial Integration and the EBA's Mandate on the Single Rulebook

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Financial crisis and lack of legal consistency

- Lack of legal uniformity and consistency as a cause of the financial crisis: competitive distortions, regulatory arbitrage and non-cooperative supervisory practices.
- In the context of the ESFS, EBA entrusted with:
 - (i) elaboration of the Single Rulebook on banking services;
 - (ii) fostering supervisory coordination and convergence through coordination of colleges of supervisors, dispute settlement powers and breach of EU law proceedings

The Single Rulebook

- Why rules harmonisation? Pre-condition for market repair
 - Level playing field across the EU, mutual trust and better coordination among national supervisors, common language, comparability of credit institutions (for risk analysis etc ...), enhancement of transparency and accountability of supervisors
 - Common rules set forth at the EU rather than at the national level
 - Progress towards the establishment of a Single Rulebook: CRDIV + CRR, for the first time a Regulation adopted at Level 1 legislation and implemented at EU level through EBA RTS and ITS
 - EBA will deliver 25 TS by end 2013 and 65 in 2014
 - Harmonisation is not 'one size fits all': resort to proportionality, materiality and correspondence between means and goals whenever qualitative and quantitative differentiation so requires and whenever so provided by Level 1 legislation

EBA –Single Rulebook – SSM/ECB

- Establishment of SSM by centralising supervision is a great step forward in EU financial integration
- Single Rulebook as an instrument to preserve the unity and integrity of the Single Market in financial services
- All Member States bound to apply same rules, both Ins and Outs of the SSM
- ECB bound to respect EU law, including RTS, ITS and EBA's Guidelines
- Single Rulebook as a tool enabling the mission of the ECB: rules are set at the EU level, no digging into national law
- EBA to undertake same function in respect of the upcoming SRM: avoid schism between Ins and Outs, preserve unity of financial market

The role of EBA in ensuring consistent application of supervisory practices and EU law

- Substance v. procedure: what instruments for law enforcement?
- Settlement of disagreements between competent authorities: mediation
- Quite some work has been done in the recent past, including amidst the crisis with very positive results. Activity mostly unknown to the public since it occurs behind the scenes
- Breach of EU law proceeding: investigation into competent authorities in case of breach of EU law. In case a breach of EU law is found, a recommendation specifying the remedy to cease it can be adopted against the competent authority. Proceedings are initiated upon request of other competent authorities or on EBA's initiative (ex. upon submission of information by private individuals)
- EBA accountable for its activity not only before the EP, but also before the Joint BoA. The first decision has been issued in June

Fostering EBA's role as 'guardian' of the Single Rulebook

- Involvement in Level 1 process: ex ante technical advice to the COM, EBA consultation on certain matters; flagging out to the COM current divergences among national laws
- Contribution to better definition of EBA's mandate as regards RTS and ITS
- Reinforcement of EBA's powers in fostering supervisory practices, in particular by enhancing recourse to binding mediation in case of diverging interpretations among supervisory authorities in colleges of supervisors

Questions?



THANK YOU!



EUROPEAN BANKING AUTHORITY

Tower 42, 25 Old Broad Street
London EC2N 1HQ

Tel: +44 2073821770

Fax: +44 207382177-1/2

E-mail: info@eba.europa.eu

<http://www.eba.europa.eu>