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JOINT PRESS RELEASE ON TECHNICAL ADVICE TO THE EUROPEAN COMMISSION ON THE EQUIVALENCE OF SUPERVISORY ARRANGEMENTS IN SWITZERLAND AND THE UNITED STATES WITH REGARD TO BANKING/INVESTMENT GROUPS AND FINANCIAL CONGLOMERATES

The Committee of European Banking Supervisors (CEBS) together with the Committee of European Insurance and Occupational Pensions (CEIOPS) are publishing today the joint response of CEBS and the Interim Working Committee on Financial Conglomerates (IWCFC), to the two parallel requests from June 2007, for technical advice from the European Commission (EC) on its recommendations on whether the supervisory arrangements of the US and Swiss supervisory authorities would achieve the objectives of consolidated and supplementary supervision, as provided for in the Capital Requirements Directive (CRD) and the Financial Conglomerates Directive (FCD). This is more commonly referred to as 'equivalence assessment'.

On the basis of the advices the Level 2 committees are expected to review the currently available guidance from 2004 in relation to the supervisory arrangements of third country supervisors. When carrying out an assessment of equivalence for an individual EU banking and investment group or financial conglomerate with a parent institution in a third country, supervisors shall then take into account the guidance provided by the Level 2 committees in relation to the supervisory arrangements of third country supervisors.

To answer the Commission's Calls for Advice, CEBS and the IWCFC worked closely together to formulate a questionnaire on supervisory practices and arranged for its completion by the relevant US and Swiss supervisory authorities, together with conducting a survey of CEBS and IWCFC members' experiences. As the main aim was to update the 2004 guidance, CEBS and IWCFC focussed their work on the changes in consolidated supervision resulting from the adoption of the CRD, the changes to the supervisory regimes or practices in the US and Switzerland last performed in 2004 and EU supervisory authorities' experience of co-operating with the relevant US and Swiss supervisory authorities. The factual analysis undertaken has been checked with the relevant supervisors in the third countries.

All five supervisory authorities in the United States (Federal Reserve Board, Office of Comptroller of the Currency, Office of Thrift Supervision, New York State Banking Department, Securities and Exchange Commission) and the two Swiss supervisors (The Swiss Federal Banking Commission and The Federal Office for Private Insurance) were found to be equivalent notwithstanding limited caveats, as set out in the advices. It was not possible to provide a statement on equivalence for the National Association of Insurance Commissioners, as it is not a supervisory authority itself but an assessment of the model framework was conducted, which is also set out in the advice.

CEBS Chair, Kerstin af Jochnick, and IWCFC Chair, Arnold Schilder, recognise the importance of global supervisory equivalence and welcome the outcomes of the assessments undertaken by the supervisors.

The advices are published on www.ceiops.org under Publications/Submissions to the EC and on www.c-ebs.org under http://www.c-ebs.org/Advice/advice.htm. For the text of the call for advices please refer to www.ceiops.eu under Ceiops - Requests for Advice and on www.c-ebs.org under http://www.c-ebs.org/Advice/documents/CfA_9onsupervisioninthirdcountries.pdf.

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