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Press release

Banking, insurance and securities supervisors enhance EU-wide co-operation

The Committee of European Banking Supervisors (CEBS), the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) and the Committee of European Securities Regulators (CESR), ('the Committees') signed on 24 November 2005, in Brussels, a joint protocol to foster co-operation and coordination in the areas of regulation, policy, information exchange and other tasks with a common interest. The three Committees are already closely cooperating on a very regular basis. The purpose of the Joint Protocol will be to build further on this cooperation by formalising the relationship between the Committees in a transparent manner.

Supervisory co-operation across financial sectors has become increasingly important with market integration and cross-sector business activity within the EU. Different stakeholders, such as the European Institutions – the Council, the European Parliament, the Commission; national members of the three Committees and market participants alike, have all voiced their concern that work done in one sector should be consistent with the work in the other financial sectors. The Committees agree to align their work where necessary and relevant and will, with the Joint Protocol, have effective tools to do so.

The practical objectives of the joint protocol are to (i) share information in order to ensure compatible sector approaches are developed; (ii) exchange experiences which can facilitate supervisors' ability to cooperate; (iii) produce joint work or reports to relevant EU Institutions and Committees; (iv) reduce supervisory burdens and streamlining processes; and (v) ensure the basic functioning of the three Committees develops along parallel lines.

The co-ordination and co-operation will be based on practical arrangements included in the joint protocol to support consistency between the Committees. The protocol defines the basic procedures for meetings and contacts, access to information, as well as indicating the areas of joint work anticipated and the way in which the dialogue between the Committees will take place to ensure new developments are taken into consideration. From 2006 the Committees will therefore start to adopt a yearly work programme to serve as a basis for common work and co-operation. The protocol will be published on the websites of all three Committees.

José María Roldán, CEBS' Chair, welcomed the joint protocol by saying: "In our Committees' work to promote convergence of practices and a more coordinated approach to supervision, it is crucial that we reflect the reality of today's financial markets, and prepare for tomorrow's developments. Transactions and risks increasingly extend across sectors as well as borders,

and this joint protocol accordingly builds on existing cooperation between our Committees and commits us to even greater and deeper collaboration in the future. This presents our best chance to be successful in our efforts to ensure a level playing field and reduce unnecessary supervisory burdens for financial institutions."

CEIOPS' Chair, **Henrik Bjerre-Nielsen** said: "The cooperation based on the MoU will represent an added value also in developing new EU legislation – consistency in giving advice to the European Commission on the regulation of similar aspects across sectors will foster a fair financial market integration and minimise regulatory arbitrage."

Arthur Docters van Leeuwen, CESR's Chair:

"Today's formal adoption of the protocol between our three sister Committees marks our commitment to "think European on a cross sector basis". That is, to broaden our sectoral views beyond building convergent supervisory approaches on a pan European basis, to identifying cross-sectoral solutions which reflect the synergies between sectors across Europe."

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