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2015 Work Programme of the Joint Committee of the European Supervisory Authorities

1. In 2015, the Joint Committee of the European Supervisory Authorities¹ will continue to give a high priority to the areas of Consumer Protection (in particular the work on Packaged Retail and Insurance-based Investment products, PRIIPs) and cross-sectoral risk analysis. Further it will continue to pursue the regulatory work already underway in areas such as Financial Conglomerates, Anti-Money Laundering and Credit Rating Agencies. The Joint Committee will continue to monitor legislative and regulatory developments in 2015 both at the European and international level, and ensure appropriate follow-up.

Consumer Protection

2. In 2015, the ESAs will continue to ensure through the Joint Committee that Consumer Protection will be a key element in financial regulation and supervision. In particular the work on PRIIPs will serve as a new challenging task for the ESAs. In addition, the ESAs will continue to monitor potential risks for consumers and will react with joint warnings if appropriate. A third joint Consumer Protection Day will be organised in 2015 in Frankfurt. The work on Consumer Protection will focus on the following objectives listed according to their priority:
 - a. Developing draft Regulatory Technical Standards (RTS) in the area of disclosures for PRIIPs. The legal text² foresees three RTS: on the content and presentation of the Key Information Document (KID); on the revision and review of KID; and on timing of delivery of KID. The ESAs, through the Joint Committee, are also mandated to provide technical input on the calculation of information about risk and reward profiles and costs. In undertaking this work, the Joint Committee will provide input to the European Commission's Consumer testing exercise, which is expected to run from October 2014 until the end of the summer 2015, and issue a Consultation Paper on draft RTS around summer 2015.
 - b. Developing Guidelines focusing on indicating to firms high-level principles to comply with when engaging in cross-selling practices, including possible practical examples in line with firms'

¹ The European Banking Authority (EBA), the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA), collectively known as the European Supervisory Authorities (ESAs).

² A political agreement on the PRIIPs text was found in April 2014 and the final text is envisaged to be published in the OJ by Q4 2014.

obligation to act honestly, fairly and professionally in accordance with the best interests of its clients.

- c. In addition, the Joint Committee will assess in 2015 linked potential risks for consumers arising from automated financial advice as well as the use of social media and other electronic channels for the promotion of financial services.

Risk Assessment

3. Cross-sectoral risk analysis and assessment will continue to be one of the main areas of focus for the Joint Committee in 2015. The ESAs, through the Joint Committee, will continue to present in 2015, a Report on Risks and Vulnerabilities to the Council's Economic and Financial Committee's Financial Stability Table, in spring and in autumn, as part of their joint bi-annual reporting on micro-prudential analysis of cross-sectoral developments. These Reports shall highlight the assessments by the ESAs of key trends and threats to financial stability. The ESAs will strengthen the interaction and cross-referencing in the sectoral risk reports.
4. The ESAs will continue to develop suitable indicators for cross-sectoral financial risks, and to enhance their analytical approaches. In particular, the ESAs will work towards closer cooperation on evaluating financial market developments of mutual concern and towards efficient contributions to relevant ESRB work-streams, such as bank funding, credit derivatives, asset encumbrance, financial innovation, financial market integration, search for yield, bank bail-in including possible spill over effects on insurance and pension providers, as well as risk of conduct of business and risks related to new technology, i.e. cyber risks. They also intend to continue to cooperate closely on shadow banking and risks related to systemically important financial institutions (SIFIs).
5. In addition, the ESAs remain committed to enhance their risk reporting through the ESAs' Risk Dashboards, whose presentational consistency, scope, and analytical granularity will be further developed and harmonised. The ESAs will explore options of closer coordination on risk and market intelligence.

Regulatory work

6. Securitisation: The Joint Committee will look further into the overall developments regarding the securitisation market in the EU and map and address potential inconsistencies in the relevant transparency, due diligence and reporting requirements.
7. Financial Conglomerates: The ESAs will also continue their work initiated in 2014 on developing Guidelines aimed at developing supervisory practices allowing for supplementary supervision of

mixed financial holding companies. Further, the ESAs will continue to update the list of identified Financial Conglomerates and publish it on their websites.

8. Anti-Money Laundering (AML): The ESAs will continue their work already started in autumn 2013 with regard to the envisaged 4th Money Laundering Directive, such as Guidelines on risk factors to apply in cases of enhanced and simplified due diligence, Guidelines on AML risk based supervision and draft Regulatory Technical Standards on central contact points of payment services providers and issuers of electronic money. In 2015 new tasks might arise, such as new Guidelines on the Funds Transfer Regulation, RTS on additional measures for non-equivalent countries and the Joint Opinion on Money Laundering/Terrorist Financing (ML/TF) risks affecting the EU financial sector.
9. Further, the Joint Committee will follow anti-money laundering developments in respect to the proposal of new Payment Services Directive, in particular developing the proposed draft Regulatory Technical Standards specifying the framework for the co-operation and exchange of information between the home and host competent authorities.
10. Credit ratings and External Credit Assessment Institutions (ECAIs): The ESAs will work together on the mapping of all ECAI's credit assessments into the relevant credit quality steps under the Capital Requirements Directive IV and Solvency II, building on the EBA work already underway in this regard.
11. The ESAs will also cooperate on synergies and consistency with the latest provisions of the Regulation on Credit Rating Agencies (CRA III, 462/2013). Moreover, the ESAs Task Force on Credit Ratings will finalise the work on reviewing and removing references to credit ratings, including the publication of a Consultation Paper in Q1 2015 and a final report (including guidelines if needed) by end of June 2015.
12. The ESAs will continue their work to finalise the review of the ESAs Guidelines for the prudential assessment of acquisitions and increases in holdings in the financial sector required by the Qualifying Holdings Directive 2007/44/EC.
13. Benchmark setting processes: Following the publication of the joint EBA/ESMA Principles for Benchmark-Setting Processes in the EU in June 2013 to address the problems in the area of benchmarks in the period until the formal regulatory and supervisory framework for benchmarks has been devised in the EU, the ESAs will continue to monitor their application and cooperate on issues of mutual interest in this area. The ESAs will also monitor reform projects on interest rate benchmarks, as well as relating contingency and potential transition issues.
14. Moreover, ESAs will cooperate closely in order to develop draft regulatory technical standards specifying requirements regarding the capital, retained earnings and reserves referred to in the Central Securities Regulation (CSR).

15. Impact Assessment Network: This network will continue to assist the ESAs with respect to the conduct of impact assessment in relation to Technical Standards, Guidelines and Recommendations and their respective consultations, and contribute to the general quality of the impact assessment process.

Supervisory Practice

16. The ESAs will continue to work together on the joint ESAs' cross-sectoral Training Programme.

Common Processes and Procedures and other tasks

17. The ESAs will cooperate closely with the aim to ensure cross-sectoral consistency in line with their institutional role. They will continue to provide operational and secretarial support to the Board of Appeal.

18. The ESAs will assess the recommendations of the European Commission for the Joint Committee based on the review report on the ESFS (European System of Financial Supervision), and will consider their possible implementation, as appropriate.

19. In addition, further views will be exchanged within the Joint Committee on possible improvements of the Joint Committee's governance. With a view to strengthen public appearance of the Joint Committee, the ESAs will finalise the development of a common Joint Committee homepage. This homepage will also serve as a platform to publish joint ESAs warnings.

20. Finally, the ESAs will jointly and pro-actively cooperate with the European Commission and EEA EFTA countries in searching for appropriate solutions in respect to implementation of ESAs Regulations as well as financial sectoral legislation in EEA EFTA states.