THE FUTURE OF BANKING REGULATION AND SUPERVISION IN THE EU

The future of banking: next regulatory frontiers

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History shows us

Huge reforms, though necessary

- Economic (e.g. financial, product/labor markets, ...)
- Social (e.g. voting rights, education, religion)
- Institutional (e.g. legal system, government, supervision, ...)

Often result in political tensions and challenges

- Part of game, not to be feared
- Symptom of change and transition, not stagnation
- Rome not built in 1 day
- Crises make unimaginable imaginable (trigger)
Europe currently classic example

Economic, social and/or institutional reforms needed
- Crisis aftermath: public and private deleveraging
- Path to growth difficult
- Efficiency ↔ equity and equality?

Political tensions and challenges abound
- Subsidiarity principle ↔ central policies, decision-making
- European ideology, will, leadership ↔ nationalism
- European citizenship, identity ↔ democratic representation*
European regulation: lot going on

- 2013: SSM, CRD IV, ATD, MCD, PD, MAD/MAR
- Currently negotiated: BRRD, MIFID/MIFIR, PRIPs, IMD, UCITS V, AML, BPA, CSDR, Omnibus II, AR, N-F Reporting, EDGS, FTT, SRM, MMF, LTIFs, SB, Benchmarks, PSDII, MIFs
- In the pipeline (2014?): UCITS VI, SLL, Liikanen, IORP, STDR, FATCA, non-bank RRD?

In large part crisis response – momentum?
What for the future?

Should we stay, or should we go?
• Regulatory pause: implement, improve transparency and accountability?
• Use momentum: harmonize banking supervision completely?

Always keep eye on the ball: criteria
• "Smart"
• Subsidiarity
• Proportionality

As well as the goal
• Consumer protection, other?