



BUSINESSEUROPE and key financial market players aligned to call for improved financial supervision

The European Banking Federation (EBF), the European Federation for Retirement Provision (EFRP), the European Private Equity and Venture Capital Association (EVCA), the Federation of European Accountants (FEE), the Federation of European Securities Exchanges (FESE) and BUSINESSEUROPE express their support for a reinforced European Financial Supervision system, broadly supporting the European Council Conclusions of 18/19 June.

The financial crisis has highlighted the need for global approaches to reinforce cross-border oversight and develop effective early warning systems. This will help restore confidence in financial markets and will contribute to the recovery of the European economy.

Macro- and micro-prudential supervision should be upgraded for all financial activities. In the EU, the proposal concerning the creation of the European Systemic Risk Board (ESRB) – endowed with a sound governance structure – and of the European System of Financial Supervisors (ESFS) – composed of the three new European Authorities tasked with coordinating the application of common high level supervisory standards – represents a significant improvement from the current institutional set-up.

In particular, the business community stresses that improved European Financial Supervision should be underpinned by the following principles and objectives:

- Reinforce financial stability and contribute to restoring investor confidence;
- Eliminate harmful national divergences in supervision and ensure a level playing field;
- Follow better regulation principles and allow for an appropriate stakeholder consultation;
- Promote high quality principles-based global standards and contribute to European competitiveness;
- Foster market transparency and accountability;
- Ensure an effective free movement of capital in the EU and globally;
- Build European cooperation on the strengths of national supervisory structures;
- Respect national fiscal responsibilities;
- Ensure an effective follow-up of financial stability warning signals;
- Resolve potential data security issues and avoid duplication of data requests and reporting requirements.

To further enhance the effectiveness of cross-border oversight and trust-building amongst supervisors, progress will also be needed on cross-border early intervention and common burden sharing criteria in the event of a crisis and lender of last resort situations.

BUSINESSEUROPE and the aforementioned associations undertake to actively contribute to the ongoing discussions on financial market reforms in order to reinforce financial stability and create the necessary infrastructure to shore up wealth and job creation by companies and contribute to the sustainable development of the European economy.