



Financial Stability Department
Sara Åhlén
Phone: +46-8-7870688
sara.ahlen@riksbank.se
Göran Lind
Phone: +46-8-7870464
goran.lind@riksbank.se

Response by the Riksbank to the Commission's consultation on Amendments to Commission Decisions establishing CESR, CEBS & CEIOPS

The Riksbank welcomes the Commission's Consultation Document "Amendments to Commission Decisions establishing CESR, CEBS & CEIOPS" that includes measures on how to introduce greater consistency and establish a clearer framework for the activities of the Level 3 Committees in the area of supervisory cooperation and convergence. The Riksbank recognises the importance of a clarification and strengthening of the roles of the Level 3 Committees and, therefore, strongly supports a reinforcement of their status by including all of the suggested amendments to the three Commission Decisions. The Riksbank would also like to submit the following comments on the Commission's proposal.

Section 3.3 and 3.5: Information exchange and streamlining reporting formats

The Riksbank shares the view that information exchange and common reporting formats are vital to secure proper supervision of the financial system and safeguarding financial stability in the EU. On this point, the Riksbank would also like to emphasise that both sections back up each other and that the real purport of a common reporting format therefore is twofold. Common reporting formats should thus be interpreted as both involving a common IT system and uniform reporting formats (common definitions and reporting intervals) that still allows for some national differences.

Section 3.4: Delegation of tasks and responsibilities

The Riksbank agrees with the Commission amendment that Level 3 Committees should be given a role to encourage and foster delegation of tasks and responsibilities between national supervisors. We fully support the view that delegation enhances supervisory cooperation and convergence by streamlining arrangements and ensure cost-efficient supervision. Furthermore, in this context the Riksbank would like to stress that it is

reasonable that supervisory delegation in normal times also comes with greater responsibilities of the host country in case of a cross-border financial crisis.

The Riksbank also notes that delegation of tasks and responsibilities sometimes is averted by a number of national legal obstacles. However, these obstacles should not be seen as an obstruction to implementing this principle but rather as an invitation to the Level 3 Committees to map these obstacles and propose practical measures on how to deal with these constraints.

Section 3.10: Annual Work-Programmes of the Committees of Supervisors

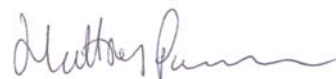
At the same time as the Riksbank supports the ECOFIN conclusions of December 2007, we would like to call attention to the fact that this section presupposes an interpretation of the wording “political guidance” as ultimately giving the Level 3 Committees the right of way over EU-institutions in setting their own priorities within their mandates. Such an interpretation strongly hinges on the fact that the Committees of Supervisors, with some exceptions, should be considered as independent committees in relation to the Council, European Parliament and the European Commission.

Section 4: Financial Stability

In the light of the current financial turmoil, the Riksbank shares the view that the Committees of Supervisors should conduct regular assessments of risks and alert other authorities about potential or imminent problems. The contents of these assessments should provide a supervisory ranking of the different threats to financial stability, possible channels of contagion and suggested measures of actions by financial institutions and supervisors taken to rein or prevent such risks. We also share the view that supervisory risk assessments should be qualitative and focused in order to best ensure regular, up-to-date, and forward-looking reporting.

The Riksbank also shares the view to adapt the Commission decisions to best ensure a clear division of work between relevant authorities. Different analysis performed by the best skill sets and specialist knowledge provides a detailed and nuanced monitoring of the financial markets. Close cooperation at the international level is additionally important and deep discussions will be needed in order to achieve non-contradictory messages. However, the Riksbank would like to emphasise that a division of roles must be applicable also at the global level as every agency has its own area of expertise. Such division provides focused analysis and avoids reporting at the lowest common denominator.

Sveriges Riksbank



Mattias Persson
Head of Financial Stability Department