

EUROPEAN ECONOMIC AREA

STANDING COMMITTEE OF THE EFTA STATES

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SUBCOMMITTEE II ON THE FREE MOVEMENT OF CAPITAL AND SERVICES

EEA EFTA Comment

In connection with the Commission consultation on the future of the European Supervisory Authorities (ESAs)

1. The EEA EFTA States (Iceland, Liechtenstein and Norway) refer to the [Commission consultation on the future of the European Supervisory Authorities \(ESAs\)](#).
2. Based on the Agreement on the European Economic Area (the EEA Agreement), the EEA EFTA States are fully integrated into the Internal Market. Relevant EU legal acts in inter alia the financial services sector shall be adapted and included in the EEA Agreement.
3. At the meeting of EU and EFTA Ministers of Finance and Economy (EFTA ECOFIN) on 14 October 2014, conclusions with principles for the incorporation of the EU ESAs Regulations into the EEA Agreement were approved. The EEA Joint Committee decided on 30 September 2016 to take the four EU Regulations establishing the European System of Financial Supervision into the EEA Agreement with adaptations in line with the principles approved by the EFTA ECOFIN in October 2014. These Joint Committee Decisions entered into force on 1 October 2016, thus extending the post-crisis supervisory structure in the EU to the EFTA Pillar, granting new powers to the EFTA Surveillance Authority, and formalising a right for national competent authorities in the EEA EFTA States to participate in the work in the three EU ESAs.
4. The work leading up to the inclusion of the EU Regulations establishing the European System of Financial Supervision in the EEA Agreement with the necessary EEA adaptations was complicated, and required extensive efforts both in the EU and on the EFTA side. If the regulations establishing the three ESAs are to be amended, it is

important that the EEA dimension is duly taken into account, in order to be able to maintain strong coordinated financial supervision in the single market for financial services, based on a balanced solution that takes into account the structure and objectives of the EEA Agreement and the legal and political constraints of the EU and the EEA EFTA States.
