

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 review of the EU Macro-prudential Policy Framework

1. Introduction

1. The EEA EFTA States (Iceland, Liechtenstein and Norway) refer to the [Commission Public Consultation of 1 August 2016 on the review of the EU Macro-prudential Policy Framework](#).
2. On the basis of the Agreement on the European Economic Area (EEA Agreement), EU legal acts in the financial services sector apply equally to Iceland, Liechtenstein and Norway. Thus, the EEA EFTA States are fully integrated into the Internal Market through the EEA Agreement, and subject to similar macro-financial risks and spillover effects to the EU Member States.
3. Therefore, to paraphrase the de Larosière report¹, it would be important to consider the participation of all EEA States in the work of the European Systemic Risk Board (ESRB) in view of the integrated financial market in the EEA, and not merely those of the European Union.

2. Joint Declaration

4. Following up on the agreement on the principles for the incorporation into the EEA Agreement of the EU Regulations establishing the Financial European Supervisory Authorities (ESAs), reached between EU and EEA EFTA Finance Ministers in October 2014, a first package of EEA Joint Committee Decisions (JCDs) bringing legal acts linked to the ESAs into the EEA Agreement was adopted on 30 September

¹ http://ec.europa.eu/internal_market/finances/docs/de_larosiere_report_en.pdf.

2016. This included the three Regulations establishing the ESAs – the European Securities and Markets Authority (ESMA), the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) – and the Regulation establishing the ESRB, all of which entered into force on 1 October 2016 throughout the EEA. Furthermore, the EEA EFTA States have introduced macro-prudential tools included in the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD IV) into their national legislation. Incorporation of CRR and CRD IV into the EEA Agreement is also underway.

5. The Consultation also raises the issue of revisions to Regulation (EU) No 1092/2010. In this context, the EEA EFTA States would like to remind the Commission of the Joint Declaration made by the EU and the EEA EFTA States to the JCD incorporating the Regulation establishing the ESRB into the EEA Agreement.
6. The Joint Declaration refers to Article 9(5) of Regulation (EU) No 1092/2010 and reads as follows: *“The Contracting Parties observe that Regulation (EU) No 1092/2010 only allows for a certain level of participation in the European Systemic Risk Board by States that are not EU Member States. In the context of possible future revisions of Regulation (EU) No 1092/2010, the EU will assess whether a right of participation corresponding to the participation of the EEA EFTA States in the three European Supervisory Authorities provided for in Decisions of the EEA Joint Committee No 199/2016, No 200/2016 and No 201/2016 could be granted to the EEA EFTA States.”*
7. The Joint Declaration is available on the following link:
<http://www.efta.int/sites/default/files/documents/legal-texts/eea/other-legal-documents/adopted-joint-committee-decisions/2016%20-%20English/198-2016.pdf>.
8. Regarding participation in the ESAs, the competent authorities of the EEA EFTA States and the EFTA Surveillance Authority have, but for the right to vote, the same rights and obligations as the competent authorities of EU Member States in the work of the ESAs, their Boards of Supervisors and all preparatory bodies of the ESAs, including internal committees and panels.

3. Conclusion

9. The EEA EFTA States welcome the review of Regulation (EU) No 1092/2010 and the possibility to be granted participation in the ESRB corresponding to their participation in the three ESAs by amendments to Article 9(5) of the Regulation.
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