



Financial Sector Policy in the EU after the British Referendum

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Recent Regulatory Reform

- Initial focus on non-banks: 2007-
 - e.g. AIFM Directive, credit ratings agencies, FTT, etc.
- G20 reform agenda: 2009-
 - e.g. Basel III, OTC Derivatives
- Banking Union & Resolution: 2012-
 - BRRD bail-in from January 2016
- Capital Markets Union: 2015-
- Streamlining / corrections: 2016-
- Still much work in progress

Recent Institutional Reform

- DG COMP state aid control
 - e.g. junior debt bail-in 2012/13
- “Larosière” supervisory package
 - EBA, EIOPA, ESMA, ESRB from 01/2011
- Banking Union
 - ECB Banking Supervision from 11/2014
 - Single Resolution Board (SRB) from 01/2016
- National level
 - Lots of crisis-induced changes
 - Resolution (+ deposit insurance) authorities

Strengthening Banking Union

- From “half” to “ $\frac{3}{4}$ ” banking union
- Harmonisation / Single Rulebook
 - Options & National Discretions
 - New global standards (e.g. TLAC, Basel III)
 - Bank creditor hierarchy / bank insolvency frameworks
- Risk-sharing
 - European Deposit Insurance Scheme
 - Common backstop: SRF + potentially EDIS
- Sovereign exposures
- Sequence & prerequisites

Brexit

- Direct impact
 - Change of Commissioner
 - Relocation (& reform?) of EBA
- Baseline assumption “hard exit”
- Shift of capital markets agenda (vs banking)
 - New political economy (in Council)
 - Institutional implications (CMU / enforcement)
- Longer-term implications
 - Subject to broader political developments
 - Euro area vs EU
 - National vs European

International Context

- EU compliance with global standards
- Reform of global bodies
 - Impact of Banking Union + Brexit
- [Financial services in TTIP]



Thank You For Your Attention

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