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Sara Mella

hallituksen puheenjohtaja

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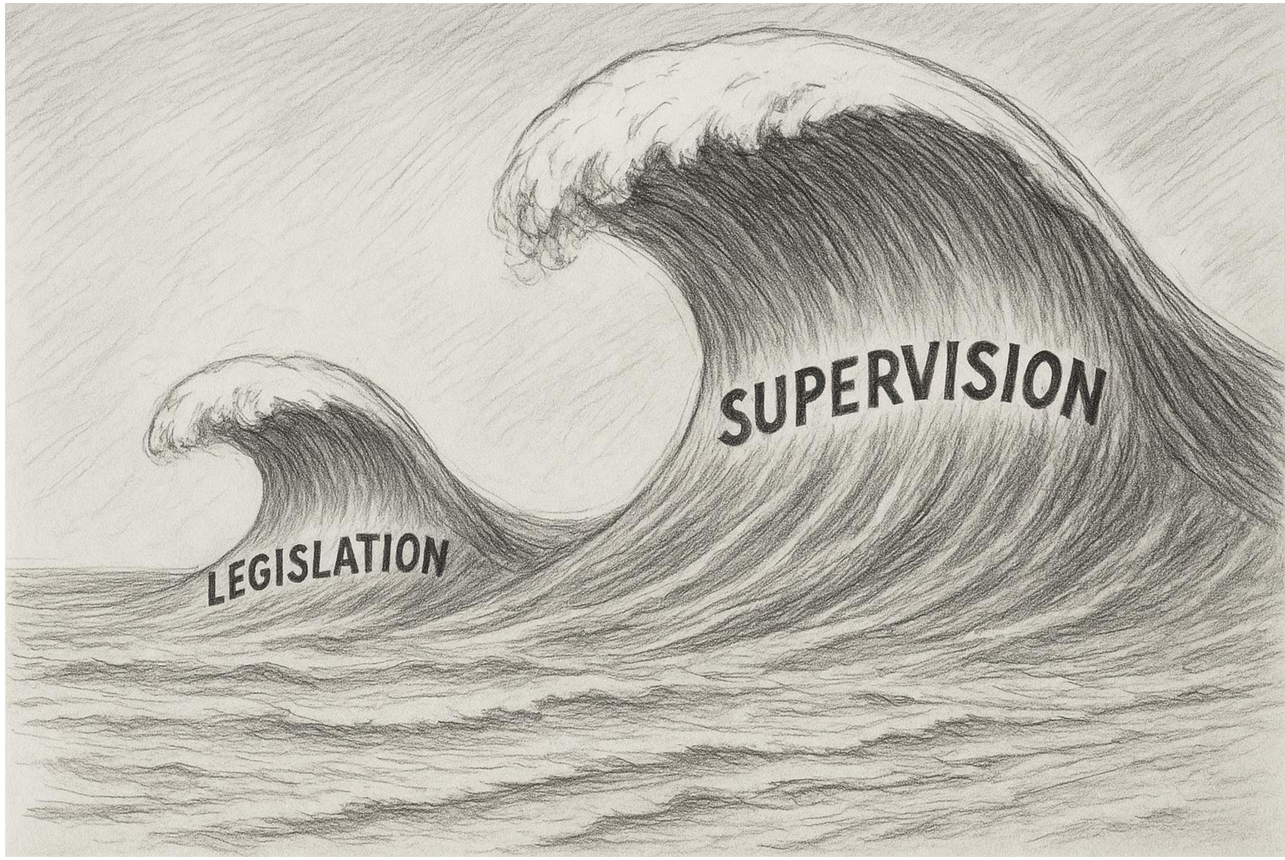
Regulatory complexity is a barrier to growth and competitiveness

- The EU financial rulebook has expanded to nearly **95,500 pages** across **more than 1500 documents**
- From 2019–2024, up to **430 new Level 2 measures for financial sector** were enacted
- Overall, the EU issued 13 000 regulations 2019-2024
    - US issued 5 500 regulations in the same time period.
- Significant Level 2 mandates and room for interpretation have led to an inflation of goldplating of Level 1
- The **ECB/SSM** has continuously added further detailed rules, increasing supervisory intensity year after year.

Result

Regulatory overload now slows market efficiency and economic growth—diverting resources, stifling innovation, and making it harder for banks to compete against global peers



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Macroprudential rules as an example of goldplating

- Basel III sets the general toolbox for macroprudential tools
- Three tools included in Basel framework
  - Capital conservation buffer – same for all banks
  - Countercyclical buffer
  - Buffer for Globally Significant Banks
- EU goldplating
  - Systemic Risk Buffer
  - O-SII buffer
  - Borrower based measures
- Practical implementation in Directive; national implementation varies and decision making is scattered to various national authorities
- Result: no clear overview of aggregate requirements and their scope vis-à-vis microprudential measures
- The discretionary requirements for the EU's 15 largest banks constitute 273 billion euros, which acts as a handbreak on supplying credit to the economy to the tune of 3000 to 4000 billion euros
- Sufficient capitalisation for risks is important, but there needs to be clarity of no overlaps. Currently that does not exist.

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Regulatory simplification needs to serve the EU's competitiveness

- The solutions in the Less is more report focus on
    - Stabilising and simplifying the regulatory framework
    - Strengthening consultation and transparency at Levels 2 and 3
    - Reviewing the founding regulations of ESAs, and
    - Strengthening the control of Level 2 and 3 acts
- All of these should be done with the focus of improving the European economy and its competitiveness
- Simplification should be achieved for the benefit of regulators, authorities, customers, and financial institutions

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ESAs' and FSAs' consideration of competitiveness and growth

- Nowadays the ESAs and FSAs have a significant role in rulemaking and interpretation of them.
- When setting the rules, several aspects should be taken into consideration. E.g. stability, customer protection and the economic impacts of regulation.
- In ESA / FSA rulemaking process, impact assessments and consultations are not always thorough
- Paying attention to economic impacts of rules and interpretations is normally not a part of the ESA / FSA mandates.
- A change to the legal mandates should be considered both at EU and local level, for instance for FIN-FSA in Finland. Also FIN-FSA can play an important role in supporting competitiveness and growth of the economy.

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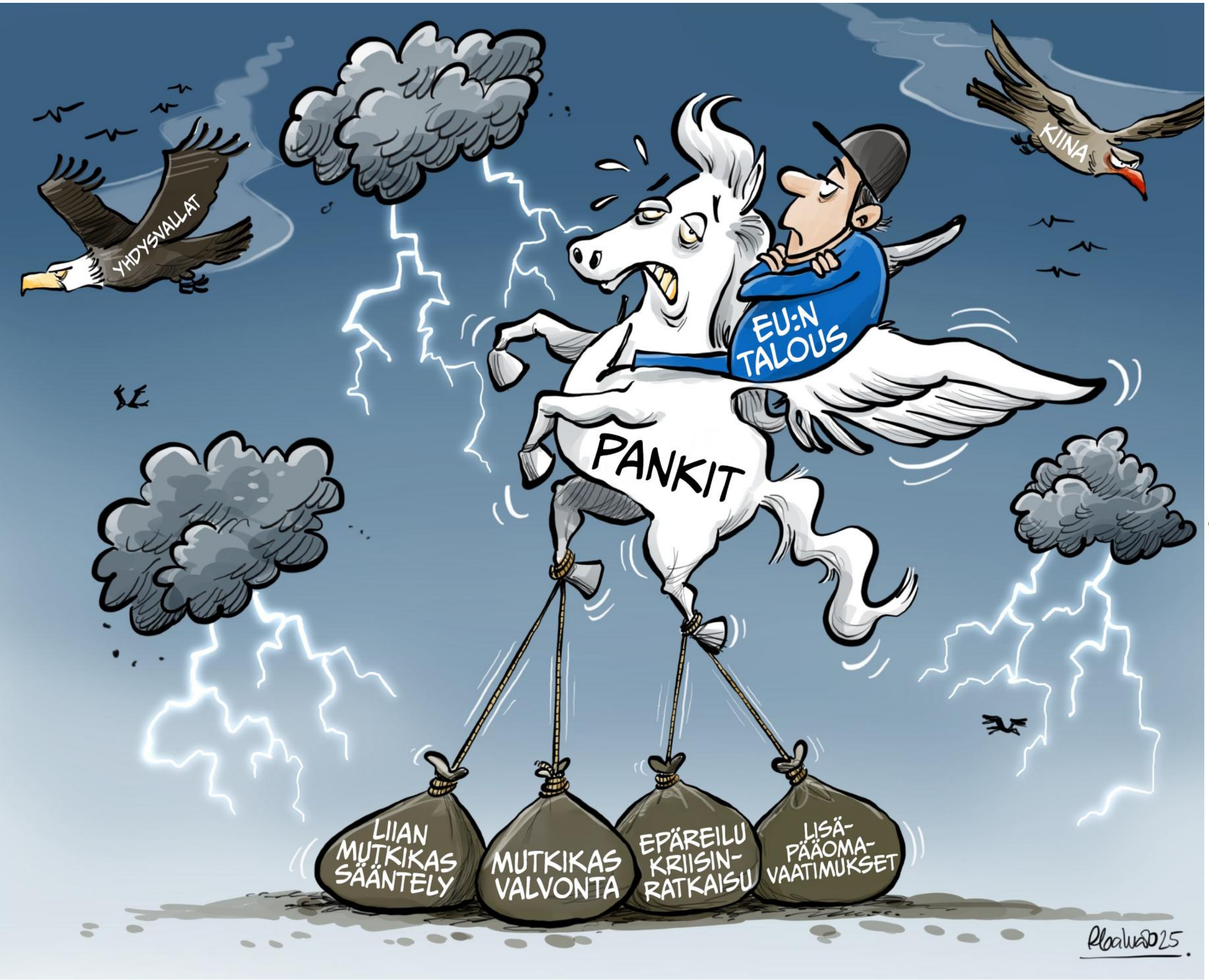

Kuvalähde: EBF, Simply Competitive Report.
Piirtäjä Ricardo Galvao

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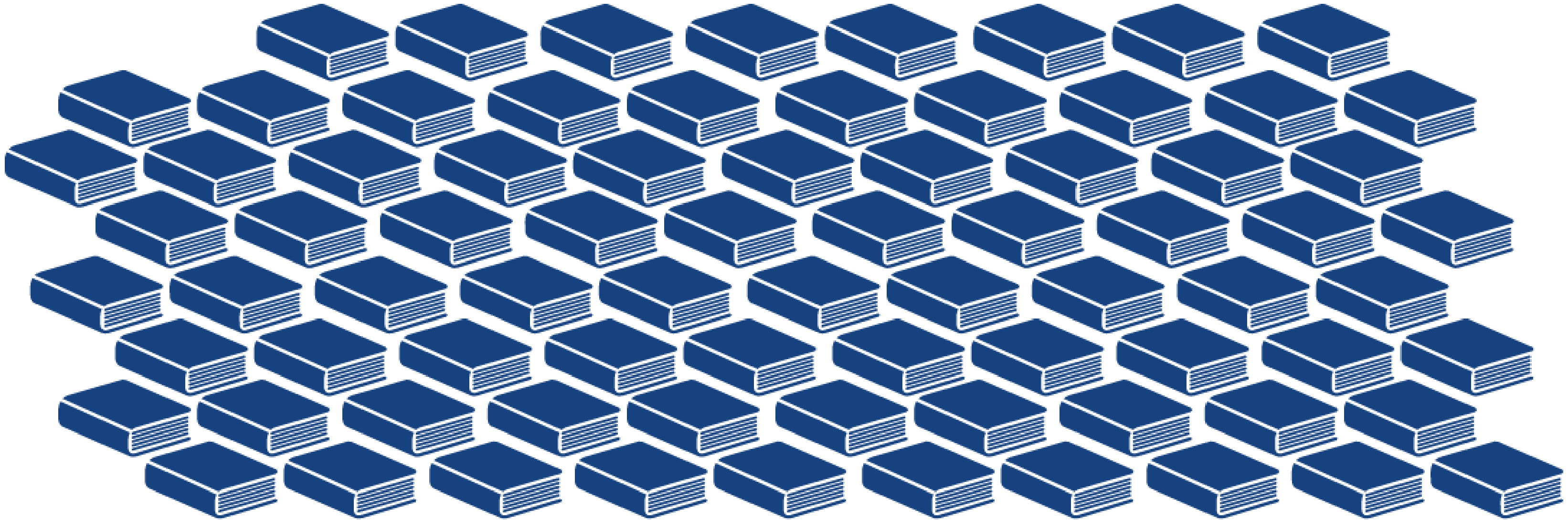
Arvio finanssialaa koskevan EU-lainsäädännön laajuudesta

1-taso: 78 lainsäädäntötason säädöstä

2-taso: 742 delegoitua säädöstä

3-taso: 785 ohjetta, suositusta yms.

40 200 sivua, liitteineen 94 100 sivua



Lähde: New Financial, The Simplification of EU Financial Regulation

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MiFID II -rahoitusmarkkinadirektiivi

1-tason dokumentti

LESS is MORE

MiFID II -rahoitusmarkkinadirektiivi

1-tason dokumentti

2-tason dokumentit

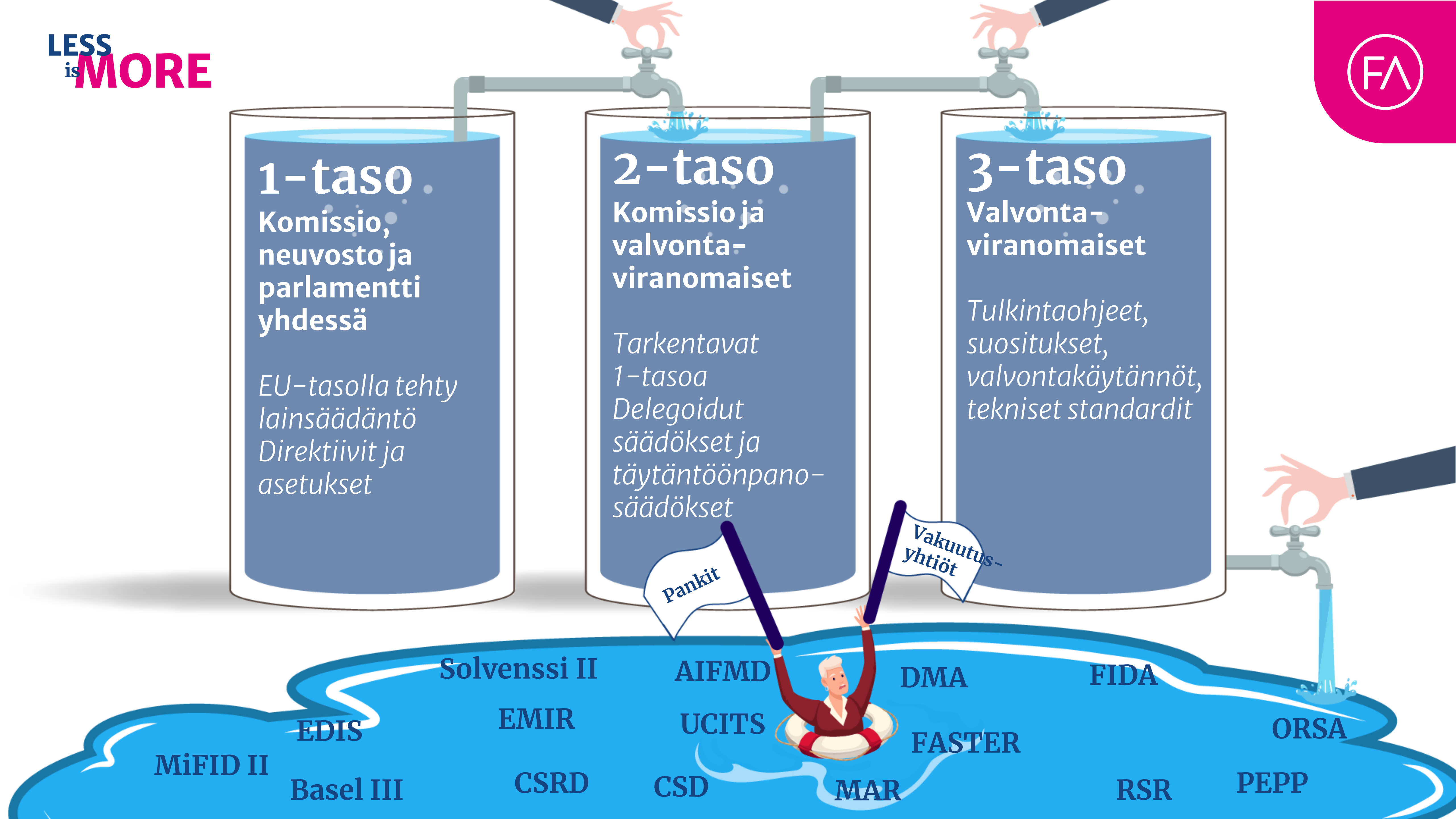
MiFID II -rahoitusmarkkinadirektiivi

1-tason dokumentti

2-tason dokumentit

3-tason dokumentit

1,25 miljoonaa sanaa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1-taso
Komissio, neuvosto ja parlamentti yhdessä
EU-tasolla tehty lainsäädäntö Direktiivit ja asetukset
2-taso
Komissio ja valvonta-viranomaiset
Tarkentavat 1-tasoa Delegoidut säädökset ja täytäntöönpano-säädökset
3-taso
Valvonta-viranomaiset
Tulkintaohjeet, suositukset, valvontakäytännöt, tekniset standardit
Pankit
Vakuutus-yhtiöt
Solvenssi II
AIFMD
DMA
FIDA
EDIS
EMIR
UCITS
FASTER
ORSA
MiFID II
Basel III
CSRD
CSD
MAR
RSR
PEPP

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