Regulatory Trends in the European Union

ASIA SECURITIES FORUM
2010, Beijing

28 September 2010
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1. Agenda of International Regulatory Bodies
2. European Financial Supervisory System
3. Committee of European Securities Regulators
4. Regulatory Developments in the UK
5. Regulatory Developments in France
6. Regulatory Developments in Germany
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# Basel Committee

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Source: BIS

T.D.: Target Date   C.P.: Consultation Paper   F.P.: Final Paper
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Source: IOSCO

T.D.: Target Date   C.P.: Consultation Paper
## International Accounting Standards Board

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Source: IASB

T.D.: Target Date
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European Supervisory System

European System of Financial Supervision

European Systemic Risk Board (ESRB)
- Governors of National Central Banks
- Member of the European Commission
- Chairpersons of the EBA, EIA, ESMA and ECB

Macro-Prudential Supervision

European System of Financial Supervisors (ESFS)
- The Committee of European Banking Supervisors (CEBS)
- The Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS)
- The Committee of European Securities Regulators (CESR)
- The European Banking Authority (EBA)
- The European Insurance Authority (EIA)
- The European Securities and Markets Authority (ESMA)
- The European Systemic Risk Board (ESRB)

Source: European Union
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### Committee of European Securities Regulators (CESR)

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Source: CESR
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Regulatory Measures in the UK

- July 2008: Simplifying Disclosure Information about Services & Costs
- January 2009: Temporary Short Selling Measures
- March 2009: Disclosure of Contracts for Differences
- June 2009: Extension of the Short Selling Disclosure Obligation
- July 2009: Banking and Compensation Reform
- October 2009: Strengthening Liquidity Standards
- February 2010: Listing Regime Reviewed
- July 2010: Government proposals to reform the UK’s financial regulatory framework
Regulatory Structure in the UK

Current Structure of Financial Regulation in the UK

- Bank of England
- Financial Services Authority
- Treasury

New Financial Regulation Framework

- Bank of England
  - Financial Policy Committee (FPC)
  - Macro-Prudential Regulation
  - Prudential Regulation Authority (PRA)
- Consumer Protection and Markets Authority (CPMA)
  + Conduct of Business Reg. & Sup. of All Firms
  + Fin. Ombudsman Ser.
  + Consumer Financial Education Body
  + Financial Services Compensation Scheme

Source: HM Treasury
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Regulatory Measures in France

- **January 2010**: Extension of exceptional measures introduced on 19 September 2008 on short selling of financial stocks.
- **March 2010**: Guidelines for new anti-money laundering regulations
- **May 2010**: Adoption of the European definition of money market funds
- **July 2010**: Implementation of UCITS IV Directives: Situation and Outlook for Asset Management Regulation
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Regulatory Measures in Germany

- September 2008: Short selling banned in shares of 10 companies in the financial sector.
- March 2010: Transparency Obligation for Net Short-Selling Positions
Final Remarks

1. EU and UK are changing the institutional structure of financial regulation and supervision.

2. Calls for closer international cooperation but diverse measures are implemented.

3. Asia will be affected through;
   - Business channels with Europe
   - Introduction of new standards
✓ Thank You!