



Proposal for a
CEPS-ECMI-ECRI Task Force

ADJUSTING THE EU'S REGULATORY PROCESS AND SUPERVISORY STRUCTURES

BACKGROUND

A comprehensive review of the EU's financial rulemaking process is urgently needed. The framework, originally designed under the Lamfalussy procedure, has expanded beyond its intended scope, raising concerns about regulatory complexity and efficiency. At the same time, the role of the European Supervisory Authorities (ESAs) requires further clarification. Despite their mandate to foster market integration, integration levels are declining, regulatory burdens are increasing and enforcement cases are on the rise. Some degree of streamlining is now essential.

Over the past legislative cycles, the EU has undergone an intense phase of lawmaking, not only refining core prudential and conduct-of-business rules but also introducing far-reaching digital and green regulations affecting financial services. While implementation remains ongoing, various stakeholders have called for a regulatory pause and a thorough evaluation of the effectiveness of these measures. In response, the European Commission President has announced an 'omnibus legislation' aimed at reducing regulatory burdens. However, the scope and effectiveness of this initiative remain uncertain.

The fundamental challenge is that the international competitiveness of the EU's financial sector – both its institutions and markets – has declined, while financial integration has stagnated. Moreover, the new US administration is expected to intensify this challenge, as it pursues a broad deregulatory agenda that could further erode the global standing of EU financial firms. Additionally, critical issues such as platform regulation and the EU-US data adequacy agreement may come under renewed scrutiny, raising concerns about the level playing field, data exchange and storage requirements.

In this competitive landscape, the first priority of the new European Commission should be to take stock of the current regulatory and supervisory framework and assess its impact on European market integration and competitiveness. In a second phase, targeted modifications will be necessary to restore balance between regulation and market efficiency.

Through its task force, CEPS, ECMI and ECRI aim to contribute to this critical review process and support a more coherent regulatory approach for the future.

COUNTER GOLD-PLATING

A crucial first step towards deeper integration in services markets is addressing the gold-plating of EU rules by Member States. Gold-plating – where additional national requirements are imposed while transposing EU legislation – has long been a challenge to EU market integration. It is particularly prevalent in financial and capital markets, where it often takes the form of extra consumer and investor protection measures or additional licensing requirements for specific activities. This practice significantly hampers the single market, creating fragmentation that affects both firms and users while weakening the EU's global competitiveness.

Gold-plating also fuels a self-perpetuating regulatory cycle: national additions to EU rules trigger amendments at the European level, which, in turn, lead to further national divergences, making EU rulemaking increasingly complex. A clear example is the Prospectus Regulation for securities offerings, which has already been amended four times (in 2003, 2010, 2017, and 2024) since its initial adoption in 2001 as part of the Financial Services Action Plan. Yet, despite these efforts, a truly EU-wide offering of equity securities remains elusive due to persistent differences in investor protection standards across Member States.

The extent and nature of gold-plating vary across jurisdictions, both at the regulatory and supervisory levels. While some countries apply only minor additional requirements, others implement more extensive measures, leading to further fragmentation. Various initiatives have been launched at both the national and EU levels to curb the practice (see CFA, 2024).

Existing mechanisms allow for assessments of EU rulemaking both ex-ante and ex-post, including public consultations, regulatory scrutiny boards and legislative review processes. The European Commission has enforcement tools at its disposal, ranging from formal warnings to infringement procedures and legal action before the European courts. Additionally, EU competition authorities play a role in ensuring that price competition is not distorted by excessive national regulations. One response from the Commission has been the increasing preference for regulations over directives, particularly in financial law, to limit national deviations.

However, research on the actual scope and impact of gold-plating remains limited, underscoring the need for further stocktaking exercises to quantify its effects and develop more effective countermeasures.

SIMPLIFICATION: AN ILLUSION?

Despite repeated promises to streamline EU financial rulemaking, complexity has only grown. The sheer volume, scope and interconnectivity of legislation have made the regulatory framework increasingly intricate. Calls for simplification are becoming louder, but stakeholders differ widely on what this should entail. When it comes to identifying specific rules to be scaled back, consensus quickly dissolves.

In her acceptance speech before the European Parliament in November 2024, the EU Commission President announced plans for an omnibus regulation to ease the regulatory burden. However, details remain unclear – will this involve formal amendments to primary legislation, or will it focus solely on secondary rules?

Past attempts to simplify EU rulemaking, such as the Simplification of Legislation for the Internal Market (SLIM) exercises, regulatory fitness programs and competitiveness tests, have had mixed results. More recently, proposals have emerged to create a 28th supervisory regime, operating alongside national authorities for cross-border financial activities. Whether this would enhance market integration or add another layer of complexity remains an open question.

Benchmarking EU rulemaking with key performance indicators (KPIs) has also been suggested, but challenges persist: How should these KPIs be defined? Who would oversee their implementation? The EU's regulatory scrutiny board exists to ensure sound policymaking, yet its recommendations are frequently disregarded.

Ultimately, a clearer hierarchy of norms is needed, along with stricter limits on additional layers of regulation. Without this, the goal of simplification risks becoming little more than an illusion.

CLARIFY THE LAMFALUSSY PROCEDURE

The current EU financial rulemaking process traces its origins to the Lamfalussy procedure, introduced in 2000. Initially designed to improve the efficiency and flexibility of financial regulation, it was later reinforced during the financial crisis with the political commitment to a single rulebook in finance.

Over time, Level 2 and Level 3 measures have expanded significantly, leading to thousands of pages of technical standards, guidelines and interpretations. Review clauses embedded in legislation allow for frequent amendments, further complicating the regulatory framework.

Despite the push for a single rulebook, the term itself has never been legally defined in EU law. In practice, rather than achieving harmonisation, the EU has developed a multi-tiered regulatory system comprising 30 national rulebooks (covering all EEA countries), each with its own interpretations and specificities. The lack of consolidation in European financial markets reflects this fragmented approach.

A comprehensive stocktaking should assess not only the legislative method but also the role of the ESAs, which draft and implement a large portion of the regulatory framework. A reassessment of the process is crucial to ensure that EU financial regulation remains effective, coherent and conducive to market integration.

ADJUSTING THE SUPERVISORY STRUCTURES

The EU has excelled in designing supervisory architectures, often creating new bodies and layers of oversight. However, it has struggled to phase out outdated or redundant structures, leading to overlaps, inefficiencies and an increasingly complex regulatory landscape. Further streamlining is necessary to ensure effective, efficient and coherent supervision, eliminating redundancies and reinforcing the single license concept across the EU.

Currently, around 3,150 supervisors operate at the European level within the SSM, ESAs, and SRB, a stark contrast to the nearly non-existent supranational oversight before the 2008 financial crisis. This is in addition to thousands of supervisors at the national level. Europe's banks are permanently monitored by the SSM, NCAs and EBA, with the SRB overseeing resolution plans. ESMA supervises markets and specific financial entities, including third-country CCPs, data providers and credit rating agencies. EIOPA coordinates the supervisory colleges of 64 insurance groups headquartered in the EU/EEA.

With a review of rulemaking, the supervisory framework should also be reassessed. The bureaucracy of the SSM has been criticised for becoming overly procedural, raising concerns about inefficiencies and administrative burdens. What checks and balances exist within the supervisory structures to address this? At the same time, there are growing demands for expanding ESMA's direct supervisory powers, with EIOPA potentially following suit.

These issues have been highlighted in the [latest CEPS task force report](#). Moving forward, concrete proposals should be developed to streamline financial supervision, ensuring efficiency while maintaining robust oversight.

A TASK FORCE

CEPS, in cooperation with ECMI and ECRI, intends to convene a Task Force from March/April 2025 onwards, to report by October/November 2025. The Task Force should meet four times on the basis of a detailed agenda, to be agreed upon. The final report should come out with specific policy recommendations, and reflect participant's consensus, with the report drafted by CEPS experts.

AGENDA

The task force will meet 4 times over a period of eight to nine months and come out with a report at the end. The suggested agenda is as follows:

1. First meeting: EU financial regulation and simplification: what can be achieved (March/April)
2. Second meeting: Revisiting the Lamfalussy procedures and structuring the different levels (May/June)
3. Third meeting: Adjusting supervisory structures (July/August)
4. Fourth meeting: Policy recommendations (September/October)

The Chair of the task force is an external authority appointed by CEPS.

The Rapporteurs (CEPS staff) will organise the meetings, conduct research independently and draft the final report.

The Task Force members – a group of stakeholders: industry representatives and observers (e.g. academics, policymakers, regulators, supervisory authorities, consumer/investor associations) – will steer the research agenda of the meetings and actively participate at the discussion, together with the chairman. The members will also review the final report and comment on the list of recommendations.

All participants (except for the special guests) are required to attend (or designate another person) at least two (2) out of the three (3) closed-door meetings and will be invited at the public event dedicated to the launch of the final report.

The roles are described in detail in the Annex.

Based on the research agenda outlined in this prospectus, the meetings will be held under the Chatham House rule and be closed to the press. Participation is limited to members of the Task Force, observers and selected invitees. The Chairperson will make sure that multiple interests are represented and taken into account. A detailed agenda will be distributed prior to each meeting.

Each meeting will consist of 2 sessions (opening address, presentations, panel debates, roundtable discussions, wrap-up). Post-meeting reports will be prepared and circulated. Based on these discussions and its own independent research, CEPS-ECMI-ECRI will publish a final report drafted by the Rapporteurs.

Chair: Jose Antonio Alvarez, Vice Chair, Santander

Rapporteurs: Karel Lannoo, CEO of CEPS and General Manager of ECMI

Apostolos Thomadakis, Research Fellow at CEPS and Head of Research at ECMI

Judith Arnal, Associate Senior Research Fellow at ECRI and CEPS

CALL FOR PARTICIPATION

Participation in the Task Force is subject to a fee to cover organisational expenses. CEPS, ECMI and ECRI members are entitled to a discounted fee and non-members (with a commercial interest) pay the full fee. Discounted fees will be considered for non-members if they decide to become a member of [CEPS](#), [ECMI](#) or [ECRI](#). Membership of the Task Force or observer rights will be given to certain officials, academics and members of civil society upon invitation.

The fee covers:

- Research carried out by CEPS, ECMI and ECRI staff
- Meeting organisation, logistics and other costs
- Documentation
- Launch of the final report in Brussels at a public event
- Editing and printing of the final report
- Distribution of the final report to key stakeholders in the industry and among policy circles
- Press release and communications of final report

The fee does not cover travel and accommodation costs for Task Force members to attend the meetings.

Fee Structure (+21% VAT)	
CEPS Member - Corporate Premium	Free of Charge*
ECMI or ECRI member CEPS Corporate and Association Member	EUR 1,500*
CEPS Institutional (Premium) Member	EUR 1,000*
Academics and Civil Society	EUR 400*
Non-Members: - Corporates and industry associations - Institutions (organisations that do not fit into the corporate/industrial association category)	EUR 6,000 EUR 3,000
European Institutions and Agencies and Policy Observers (policymakers, regulators, supervisors)	Free of charge

* Members can participate with up to two representatives per meeting

To join the Task Force, please respond by contacting Beatriz Pozo or Laura Nicolas by email at: beatriz.pozo@ceps.eu or laura.nicolas@ceps.eu, or by phone on +32 222 93 911

REGISTRATION FORM

CEPS/ ECRI /ECMI corporate members – check the applicable box (+21% VAT)

- CEPS Corporate Premium | EUR 0
- CEPS Corporate or Association/ECRI/ECMI members | EUR 1500
- CEPS Institutional (Premium) member | EUR 1000

Non-members - check the applicable box (+21% VAT)

- Corporates and industry associations | EUR 6,000
- Institutions (organisations that do not fit into the corporate/industrial association category) | EUR 3,000

Academics and Civil Society - check the applicable box (+21% VAT)

- Academics and Civil Society | EUR 400

Please indicate the name and position of the main contact person

First name:

Last name:

Job title:

E-mail:

Telephone:

Other contact persons for the mailing list

Name:

Email:

Name:

Email:

Billing information

Company/Association:

Department:

Tax register number (VAT for Europe):

Postal address:

Postcode:

City:

Country:

Contact person:

Date:

Signature:

ANNEX

Principles and Guidelines for the Task Force

This appendix offers guidance to members of the Task Force and other parties wishing to understand the functioning of the initiative and the drafting process of the final report. Task Forces represent structured dialogues among industry representatives, policymakers, academics and other relevant stakeholders who discuss topics in dedicated meetings. The final report is the result of the research carried out independently by CEPS-ECMI Rapporteurs.

Participants

The **Chair** is an authority appointed by CEPS to steer the dialogue during meetings and advise as to the general conduct of the activities of the Group.

The **Rapporteurs** are CEPS researchers who organise the task force meetings, conduct the research independently and draft the final report.

The **Members** are any individuals, such as academics, policymakers, regulators, supervisors, representatives of commercial companies, trade associations, consumer interests' groups, investors' associations, who participate in the activities of the Task Force in a personal capacity. They must have expertise in the topics discussed and provide input to the discussions through presentations and relevant material for the final report.

1. The role of the Task Force members

The Task Force members will:

- Steer the research agenda of the meetings and the content of the active discussions;
- Contribute to meetings with active input, including targeted presentations;
- Support the research of the Rapporteurs and comment on the various drafts of the reports, including the possibility to produce written contributions (subject to the Rapporteurs' approval and editing);
- Ensure that the research behind the final report adheres to the highest standards;
- Have access to all the documents and presentation made during the meetings;
- Contribute to the recommendations that will be discussed and added to the final report.

2. The role of the Observers

A group of policymakers, academics, consumer/investors' associations and independent experts may attend the TF meetings. They will attend in an observer capacity, so they will not be required to provide a contribution (unless agreed otherwise). This group will also include speakers invited by CEPS to provide individual contributions to one or more meetings.

The lists of members of the Task Force and the Observers will be featured in the final report and on the CEPS websites. All members attend the meetings in a personal capacity and do not necessarily endorse the recommendations of the final report.

Objectives of the final report

- The report is meant to contribute to the policy debate by presenting a balanced set of arguments, based on the discussions among participants and internal desk research.
- The report seeks to provide readers with a constructive basis for discussion. The authors will not seek to advance a single position or misrepresent the complexity of any subject matter.
- The report also fulfils an educational purpose and is therefore drafted in a manner that is easy to understand, with technical jargon fully defined.

Drafting of the main text

- In the main text, rapporteurs detail the results of the research carried out independently in the framework of the Task Force. This part of the report will refer to the discussions during the meetings but also to available data and literature.
- Scientific literature may be cited in this part of the report. Members are not expected to endorse any reference to this literature. A general disclaimer is inserted to clarify this aspect.
- The conclusions of each section will be clearly presented.

Use of data

- The final report features data that are considered both relevant and accurate by the Rapporteurs.
- Task Force members are encouraged to contribute with any data or propose any source of data that Rapporteurs consider as relevant.
- Task Force members may question either the relevance or accuracy of any given data. After consultation with the Chairman, the Rapporteurs may decide either to exclude this data or to mention these concerns in the main body of the text.

Drafting of conclusions and recommendations

- The final report will feature a set of policy recommendations, drawn up by the Rapporteurs, which are meant to reflect the Task Force's discussions during the process. For a recommendation to be featured in the report, there needs to be enough information being discussed in the open debates among the TF members. In all cases, the report will seek to identify the points where there is some sort of common understanding of market issues.
- Both policy recommendations and the content of the final report will be summarised at the beginning of the report in the form of an 'executive summary'.
- Task Force Members will be given ample opportunity to review the final report and provide their input on a draft version. Nevertheless, the authors (Rapporteurs) will be solely responsible for the content of the final report.

Sample disclaimer

"The findings presented in this Final Report do not necessarily reflect the views of all the members of this Task Force. However, the members were involved during the drafting of the Final Report and provided input to the discussions through presentations and the provision of data and other materials, which have been used in this Final Report. A set of principles has guided the entire drafting process to allow all of the interests represented in the Task Force to be heard. The Rapporteurs are solely responsible for its content and any errors contained therein. The Task Force Members, or their respective companies, do not necessarily endorse the conclusions of the Final Report."