

# Mandate of the Joint Committee of the European Supervisory Authorities' Consumer Protection and Financial Innovation Sub-Committee

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## 1. Framework

1. The main objective of the Joint Committee's Consumer Protection and Financial Innovation Sub-Committee (the "JC SC CPFI") is to contribute to the mission of the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), (the ESAs) by enhancing consumer protection and helping ensure they fulfil their mandates with respect to Article 9 and 54 of the ESA Regulations<sup>1</sup>.
2. The tasks in Article 9 encompass a wide variety of objectives of the ESAs:
  - consumer protection,
  - financial stability;
  - the orderly functioning of markets; and
  - convergence of regulatory practice.
3. Article 54 states that the Joint Committee (and hence its Sub-Committees) shall serve as a forum in which the ESAs shall cooperate regularly and closely to ensure cross-sectoral consistency, while considering sectoral specificities, on a number of areas, including that of retail financial services and products, and depositor, consumer and investor protection issues.

## 2. Tasks

4. The tasks of the JC SC CPFI consist of assisting the Joint Committee to ensure the necessary degree of cross-sectoral consistency amongst the ESAs in relation to matters pertaining to consumer protection and financial innovation as covered under the Joint Committee's work

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<sup>1</sup> Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC and Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC.

programme. The JC SC CPFI should, in particular - in close coordination with the sectoral Committees on consumer protection and financial innovation to avoid any duplication of tasks – focus on:

- Completing a Single Rulebook for EU financial markets through the development of technical standards, guidelines and recommendations;
- Contributing to regulatory and supervisory convergence across the EU, through technical advice, decisions, opinions, Q&As, reports and other suitable means;
- Supporting financial literacy and education by reviewing and coordinating initiatives by the competent authorities.
- Fulfilling any other specific tasks set out and agreed by the ESAs' governing bodies, and as delegated by the Joint Committee, as appropriate.

### 3. Type of deliverables

5. The JC SC CPFI will assist the Joint Committee to prepare deliverables including:

- joint positions (Article 56 of the ESA Regulations);
- cross-sectoral common acts (Article 56 of the ESA Regulations), such as draft Regulatory and Implementing Technical Standards;
- joint decisions (Article 20 of the ESA Regulations) in the areas under the remit of the JC SC CPFI;
- advice in response to a request from the European Commission;
- supervisory convergence tools such as guidelines and recommendations;
- cross-sectoral Q&As (Article 16b of the ESA Regulations);
- opinions (Article 16a of the ESA Regulations);
- supervisory statements;
- non-legislative instruments such as discussion papers and reports;
- warnings;

on cross-sectoral issues pertaining to consumer protection and financial innovation.

6. The JC SC CPFI will report to the Joint Committee.

## 4. Internal organisation

### 4.1. Membership

7. The Chairpersons of the ESAs are members of the JC SC CPFI.
8. Each voting member of the ESAs Board of Supervisors (BoS) may be represented on the JC SC CPFI.
9. In Member States where more than one authority is responsible for Consumer Protection and Financial Innovation, then both/all those authorities could attend the JC SC CPFI, albeit those authorities shall agree on a common position. Nevertheless, when an item to be discussed by the JC SC CPFI does not fall within the competence of that Member State's ESA BoS member(s), they may bring a representative from the relevant national authority.
10. For those Member States who choose not to nominate a representative to attend the JC SC CPFI, a contact person, should be designated to make sure that the respective authorities in that Member State are able to follow and contribute to the work of the JC SC CPFI.
11. During his/her term of appointment, the Chairperson's competent authority may decide to send another representative to assume the interests of the national competent authority.
12. The following shall be invited as observers to the JC SC CPFI:
  - The Executive Directors of the ESAs;
  - A representative from the European Commission; and
  - A representative from the ESRB.
13. Other observers and external experts may be invited, where appropriate, in line with Article 13(7) of the Joint Committee Rules of Procedure.

### 4.2. Members' profile and responsibilities

14. Members of the JC SC CPFI should have expertise and experience in the area relevant to the tasks and deliverables of the Sub-Committee. They should also be empowered by their respective supervisory/regulatory authority to represent and take decisions on their supervisory authority's behalf.
15. Members are responsible for expressing dissenting views as early as possible in the process and to provide alternative proposals, where and when necessary. More generally, members are expected to provide their comments and views within the suggested deadlines.

### 4.3. CPFI Chairperson

16. The JC SC CPFI should be chaired by a high-level representative of one of the relevant competent authorities (in line with Article 57(3) of the ESA Regulations) and shall have sufficient seniority, expertise and experience. This representative shall preferably be an ESA

BoS Member or his/her alternate, or an EIOPA permanent representative or his/her alternate. The term of the Chairperson's appointment shall be for two years and can be renewed once. Article 13.1 of the Joint Committee Rules of Procedure outlines the selection process of the Chairperson.

17. The JC SC CPFI Chairperson should be responsible for ensuring that the JC SC CPFI delivers the tasks allocated to it by the Joint Committee.
18. The JC SC CPFI Chairperson shall also be an observer of the Joint Committee.
19. The JC SC CPFI Chairperson may request to hold a partial or fully restricted meeting without observers, when discussing individual regulated entities.
20. The JC SC CPFI Chairperson shall strive to reach decisions by consensus. In the event that a consensus cannot be reached, controversial issues shall be remitted by the JC SC CPFI Chairperson to the Joint Committee for its consideration and decision taking in line with the Joint Committee Rules of Procedure.
21. When carrying out his/her tasks the JC SC CPFI Chairperson shall act in the interest of the European Union.

#### 4.4. Ongoing work and meetings

22. JC SC CPFI meetings should be directed by the JC SC CPFI Chairperson and supported by ESA staff.
23. Meetings should be arranged to follow the schedule of the Joint Committee and timelines for external and internal deliverables.
24. Additional meetings can be scheduled if necessary.

#### 4.5. Substructures

25. Subject to the approval of the Joint Committee, the JC SC CPFI may set up subgroups.
26. No subgroup should generate further substructures.
27. Subgroups should be chaired by a member of the JC SC CPFI or, where appropriate, by a technical expert from the organisation of the member or observer or by ESA staff, who shall be appointed and confirmed by the Joint Committee.
28. Members of the subgroups of the JC SC CPFI should have expertise and experience in the subgroup's allocated area. The members of the substructures should in general come from the respective ESA sector committees on consumer protection and/or financial innovation.
29. Members of the JC SC CPFI and members of the sub-groups of the JC SC CPFI representing the same national competent authority should ensure that their positions are coordinated.

## 4.6. External Relations

30. To obtain timely input on issues under consideration, the JC SC CPFI may maintain direct contacts and dialogue with consumer and industry experts. For these contacts and dialogue, the JC SC CPFI should rely primarily on the consumer and industry expert groups, where established, together with the ESAs' Stakeholder Groups.
31. To the extent necessary, the JC SC CPFI may seek input from or exchange views with the European Commission and/or relevant committees/groups, standard setting bodies or other interested parties and ensure that ESA interests are properly reflected at these levels.

## 4.7. Review of the mandate

32. The JC SC CPFI's mandate will, every two years, be subject to review and endorsement by the Joint Committee and subsequent approval by the ESAs' BoS and adapted to reflect any developments, as relevant and appropriate.

## 4.8. Effective date

33. This mandate, approved by the ESAs' BoS, will come into effect on 11 November 2024.