

Mandate of the Joint Committee of the European Supervisory Authorities' Sub-Committee on Financial Conglomerates (JCFC)

1. Framework

1. Article 57(4) of the ESAs Regulations¹ requires the establishment of a Joint Committee sub-committee on financial conglomerates.
2. The main objective of the Joint Committee of the European Supervisory Authorities' Sub-Committee on Financial Conglomerates (hereafter referred to as "Financial Conglomerates Committee" or "JCFC") is to assist the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), i.e., the European Supervisory Authorities (ESAs), through their Joint Committee, in fulfilling their mandates in respect to reaching joint positions and common acts under the Directive 2002/87/EC² (hereafter the "Financial Conglomerates Directive").

2. Tasks

3. The JCFC shall contribute to the work of and shall report to the Joint Committee and carry out its work programme in areas related to financial conglomerates, in particular the following tasks:
 - Act as a forum for the exchange of supervisory information, experiences and practices on financial conglomerates;
 - Assist in the identification and measurement of systemic risk of Financial Conglomerates, and assessment of its cross-sector implications;
 - Provide a forum for the ESAs to develop joint positions and agree common acts in relation to financial conglomerates and carry out background work to support this

¹ 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.

² Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council.

activity;

- Provide a regulatory and supervisory input to supervisory measures under the Financial Conglomerates Directive;
- Publish the list of identified Financial Conglomerates; and
- Fulfil 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

4. To achieve the tasks set out in the previous paragraph and further detailed in the extract of the Joint Committee work programme in the annex, the JCFC will assist the ESAs, through its Joint Committee to:
 - Prepare joint positions (Article 56 of the ESA Regulations) on issues pertaining to financial conglomerates;
 - Where relevant, prepare common acts (Article 56 of the ESA Regulations), such as draft regulatory and implementing technical standards as defined in the Financial Conglomerates Directive, and guidelines and recommendations (including those defined in the Financial Conglomerates Directive);
 - Prepare for the Joint Committee, its decisions in accordance with Article 20 of the ESA Regulations, in the area of financial conglomerates;
 - Prepare opinions (Article 16a the ESA Regulations) to the European Parliament, the Council, or the Commission on issues pertaining to financial conglomerates;
 - Prepare a response to a Call for Advice from the Commission, in relation to the Commission's fundamental review of the Financial Conglomerates Directive, and any other requests for advice in relation to financial conglomerates;
 - Maintain and publish a list of identified Financial Conglomerates (as defined in the Financial Conglomerates Directive);
 - Coordinate and develop a training programme for supervisors in the field of financial conglomerates;
 - Coordinate the development of cross-sectoral Q&As (Article 16b of the ESA Regulation) relating to the practical application or implementation of financial conglomerates regulation;
 - Develop any non-legislative instruments such as discussion papers and reports in the area of financial conglomerates.
5. The JCFC shall report to the Joint Committee.

4. Internal organisation

4.1. Membership

6. The Chairpersons of the ESAs are members of the Sub-Committee.
7. Each voting member of the ESAs Board of Supervisors (BoS) may be represented on the Sub-Committee.
8. In Member States where more than one authority is responsible for the financial conglomerates supervision according to the ESAs Regulations, then both/all those authorities could attend the Sub-Committee, albeit those authorities, shall agree on a common position. Nevertheless, when an item to be discussed by the Sub-Committee 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. For those Member States who choose not to nominate a representative to attend the Sub-Committee, a contact person may be designated to make sure that respective authority(ies) in that Member State is (are) able to follow and contribute to the work of the Sub-Committee.
9. 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.
10. The following shall be invited as observers to the Sub-Committee of Financial Conglomerates' meetings:
 - The Executive Directors of the EBA, EIOPA and ESMA;
 - A representative from the European Commission; and
 - A representative from the ECB/SSM and the ESRB.
11. 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

12. Members of the JCFC should have expertise and experience in the area relevant to the tasks and deliverables of the JCFC. They should also be empowered by their respective competent authority to represent and take decisions on their supervisory authority's behalf.
13. Members are responsible for expressing dissenting views as early as possible in the process and to provide alternative proposals. More generally, members are expected to provide their comments and views within the suggested deadlines.

4.3. JCFC Chairperson

14. The JCFC 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 a Member or alternate of the

Board of Supervisors of one of the ESAs or a permanent representative or alternate in the case of EIOPA. 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.

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

4.4. Ongoing work and meetings

20. JCFC ongoing work shall be directed by the JCFC Chairperson and supported by ESAs' staff.
21. Meetings should be arranged to follow the schedule of the Joint Committee and timelines for external and internal deliverables.
22. Additional meetings can be scheduled if necessary.

4.5. Substructures

23. Subject to the approval of the Joint Committee, the JCFC may set up subgroups (SGs).
24. No Subgroup should generate further substructures.
25. Subgroups should be chaired by a member of the JCFC 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.
26. The members of the Subgroups of the JCFC should have expertise and experience in the substructure's allocated area.
27. In addition, the JCFC may set up Networks to exchange experiences and discuss issues emerging in the day-to-day application of relevant Guidelines.
28. Members of the JCFC and members of the JCFC substructures representing the same national competent authority should ensure that their positions are coordinated.

4.6. External Relations

29. To obtain timely input on issues under consideration, the JCFC should maintain direct contacts and dialogue with industry experts. For these contacts and dialogue the JCFC should primarily rely on the ESAs' industry expert groups established, and where established any Joint Committee Industry group on Financial Conglomerates together with the ESAs' Banking Stakeholder Group, Insurance Stakeholder Group, Occupational Pensions Stakeholder Group, and the Securities and Markets Stakeholder Group (Article 37 of the ESA regulations).
30. To the extent necessary, the JCFC 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 the JCFC's interests are properly reflected at these levels.

4.7. Review of the mandate

31. The mandate of the JCFC 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

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