



Date: 24 May 2007

PRESS RELEASE

The Three Level 3 Committees invite comments on proposed Impact Assessment Guidelines

CESR, CEBS and CEIOPS announce today the publication of a joint consultation paper on draft Impact Assessment (“IA” hereafter) Guidelines to be used by the EU Level 3 Committees (Ref. CESR/07-089). The guidelines are designed to provide the Committees’ Expert Groups with a practical tool to assist them when using IA as part of their policy analysis and in the course of formulating recommendations.

The three Level 3 Committees’ commitment to develop an IA methodology for their own use reflects agreement taken by the European Institutions in December 2003 to implement the principles of better regulation for their legislative practice. In addition, the White Paper on Financial Services published at the beginning of 2006 (in Annex 2 COM(2005)629 of 05/12/2005), mentions explicitly that IA will accompany any new Commission proposal. As such, the adoption by the three Level 3 Committees of their own IA guidelines keeps the three Level 3 Committees in step with approved EU practice.

Key features of the IA methodology:

The proposed IA methodology set out in the guidelines is consistent with the European Commission's own IA guidelines. This means that it involves identifying problems relating to institutional objectives, identifying possible solutions (including leaving it to the market to solve), analysing their potential impacts, consulting with stakeholders on preferred policy options, and taking their feedback in to account.

Our guidelines draw an important distinction between ‘Screening IAs’ (implemented at the first stages of policy development) and ‘Full IAs’ (used only when a screening IA is deemed insufficient for assessing the problem and identifying and evaluating policy options). This has been done in order to ensure that a proportionate and flexible approach to IA is adopted, which takes into account the distinct working practices of the 3L3 Committees.

The IA guidelines published for consultation today consists of three parts: In the first part, the steps of the IA methodology are presented and each of these steps is briefly explained. In the main text, each step of the IA process is explained in more detail. In the appendix, more technical details and examples are provided in order to provide the reader with practical assistance.

It is one of the purposes of this consultation to gather views on whether the guidelines strike the right balance between ease of use and understanding on the one hand and analytical rigour on the other.

Scope:

The expectation is that IA will apply to the work of the Level 3 Committees where the policy issues under consideration are likely to have significant structural and cost implications to consumers/investors and/or market participants. The scope of the Committees' IA work will take account of IA work to be conducted by the Commission or others. This is so as to avoid unnecessary duplication of effort and to ensure that the exercise adds value.

Procedure:

The proposed IA methodology does not represent a complete break with existing L3 Committee practices. Each Committee, in developing its advice and proposals, already considers the consequences of adopting a range of different policy options and consults extensively. Nevertheless, by adopting the proposed IA guidelines we will be putting these procedures on a more structured footing.



Testing via pilot studies

The proposed IA guidelines are currently being tested via three pilot studies conducted by all 3 Committees. CESR will test the guidelines in relation to the existing simplified prospectus work stream and CEBS in relation to the large exposures work stream. CEIOPS will test the guidelines by giving its input to the European Commission in the framework of future Solvency II implementing measures. In the light of the experience gained through the three pilot studies and the responses to the consultation, the three Level 3 Committees, will, if necessary, revise the final IA methodology to ensure it functions effectively.

Call for comments

Comments on the proposed IA guidelines will be welcomed by 24 August 2007 and can be submitted online via CESR's website at

<http://www.cesr.eu/index.php?page=consultation&mac=0&id=>

In particular, the 3L3 Committees will be seeking the views of market participants on the following:

1. Do you think the proposed IA guidelines cover all key aspects of an impact assessment exercise?
2. Do you think market failure analysis and regulatory/supervisory failure analysis are given due consideration in the IA guidelines?
3. Does the consultation process in the IA guidelines (publication of the draft policy accompanied by the IA analysis, publication of responses received and feedback statement) cover all key aspects of consultation?
4. Do you think that the proposed IA guidelines are sufficiently practical to enable policy makers to conduct IA effectively?

All comments will be made available on the CESR/CEBS/CEIOPS websites, except where respondents specifically request that their comments remain confidential.

For further information please contact:

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