



30 April 2008

PRESS RELEASE

The 3L3 Committees reinforce their commitment to the principles of 'Better Regulation' by publishing revised Impact Assessment Guidelines

The Impact Assessment ("IA" hereafter) Guidelines published today have been developed as a practical tool to help ensure the effective use of IA within the three Lamfalussy Level 3 Committees (CESR, CEBS and CEIOPS). They are consistent with the European Commission's approach to Better Regulation and, specifically, with the EC's own IA Guidelines, though adapted to reflect the more specialised nature of financial services policy and the specific circumstances in which it is developed within the EU (See Notes to Editors for further information on key features of the methodology described in the Guidelines).

The effective use of these guidelines should enhance credibility and accountability in policy making. Although they describe many practices that are already embedded in the Lamfalussy Level 3 Committees' policy making processes, the guidelines bring additional structure to policy making and reinforce the Committees' commitment to transparent, evidence-based policymaking. One key feature through which this is achieved, is the role given in the guidelines to market and regulatory failure analysis, as tools for ensuring that the case for regulatory intervention is considered properly.

The guidelines highlight the important role that the Committees' stakeholders will play, both in terms of the contribution that they can make to the conduct of IAs, and in providing the requisite level of challenge during informal and formal consultation phases. The Committees therefore welcome the very helpful and positive feedback from stakeholders received during the joint 3L3 consultation which closed in August 2007 and look forward to working together with their stakeholders to make the use of IA a success.

The 3L3 Committees also publish today a feedback statement summarising the submissions received from stakeholders during the consultation period, and the Committees' response, including the changes made to the guidelines in the light of those submissions. For example, the way in which market failure analysis was described was improved and changes made to the guidelines in order to address concerns about the treatment of competition and competitiveness. The guidelines were also amended to confirm that an explanation would be given if one of the Committees decided not to follow the outcome of an IA exercise.

Before finalizing the IA guidelines, the three Committees conducted pilot studies to establish that the guidelines could work effectively. CESR tested the guidelines in relation to the existing simplified prospectus work stream and CEBS tested the guidelines in relation to the large exposures work stream. CEIOPS is applying the guidelines in its work to deliver advice to the European Commission in relation to the Solvency II project.

The Committees have provided joint 3L3 training on the application of the guidelines and will roll out further training in 2008.

Notes for Editors

The 3L3 Impact Assessment Guidelines have been produced jointly by CESR, CEBS and CEIOPS.

Key features of the IA methodology:

The 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 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.

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 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 IA guidelines we will be putting these procedures on a more structured footing.

CESR (Committee of European Securities Regulators), CEBS (Committee of European Banking Supervisors), and CEIOPS (Committee of European Insurance and Occupational Pensions Supervisors), are all independent committees. Comprehensive information on the role and objectives, and the relevant founding documents are available on the respective web-sites of the Committees.

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