



Cooperation at European level

EIOPA strives for sound and robust regulation of the European insurance and pension sectors and for consistent high-quality supervision. This gives consumers better protection and safeguards financial stability.

EIOPA acts as an independent advisory authority, preparing detailed regulations and technical advice for the European Commission. It is also accountable to the European Parliament and the Council of the European Union. EIOPA maintains strong relations with other European institutions such as the European Central Bank and the European Systemic Risk Board.

European Parliament

EIOPA, as a regulatory body, is accountable to the European Parliament.

As EIOPA is partly (40%) funded by the European Commission, it reports to the Committee for Budget (BUDG) and the Committee on Budgetary Control (CONT). Other European Parliament committees that EIOPA interacts with include Internal Market and Consumer Protection (IMCO), and the Employment and Social

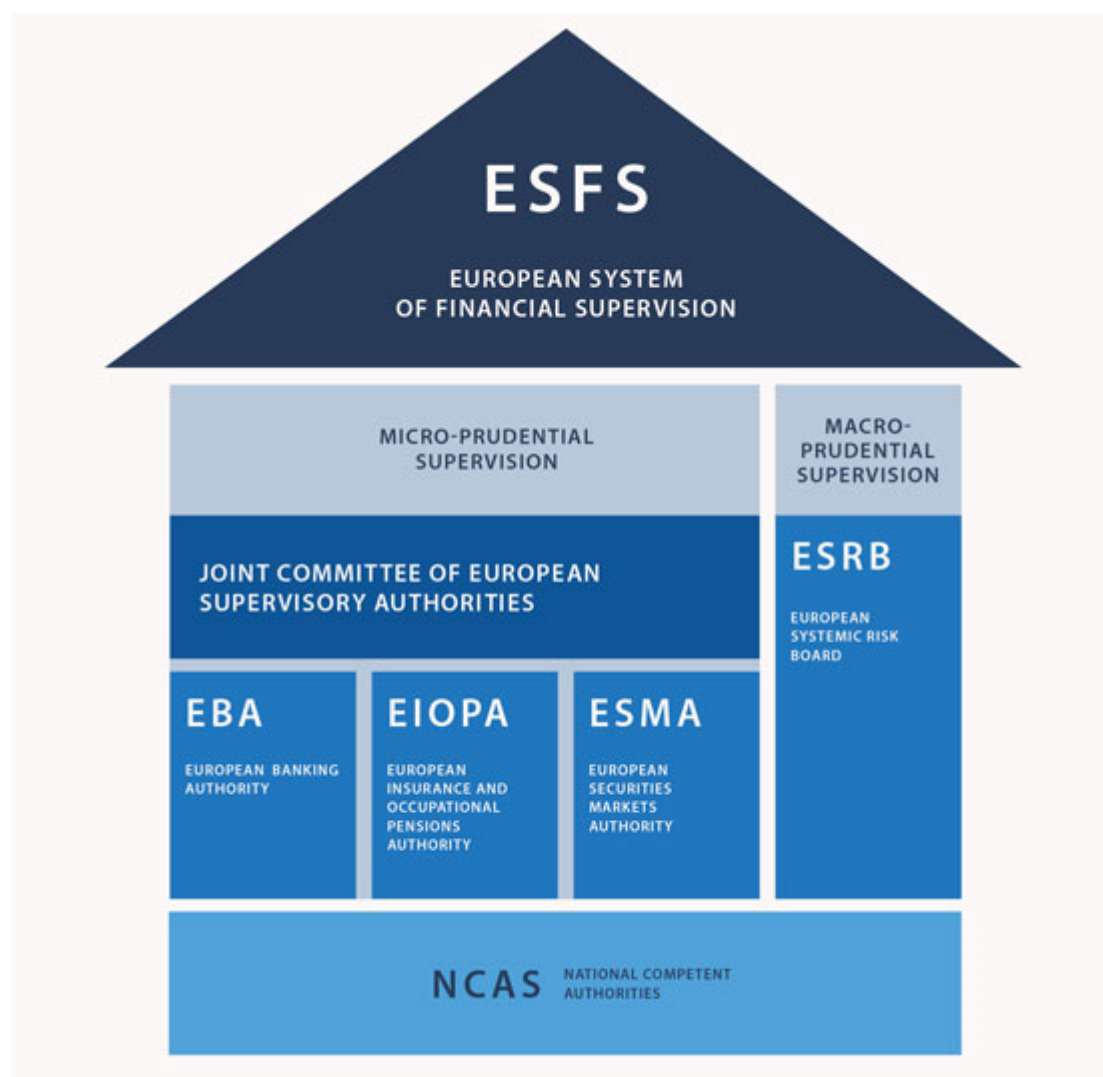
Affairs(EMPL).

Council of the European Union

The Council of the European Union is the institution representing the Member States' governments. It negotiates and adopts legislation mostly together with the European Parliament.

EIOPA participates in the Financial Services Committee (FSC) and the Economic and Financial Committee (EFC), as an observer and contributes to debates on the assessment of risk in the European financial system and on the state of European financial market integration.

The European System of Financial Supervision



Source: Council of the European Union

Joint Committee

The [Joint Committee](#) is a forum with the objective of strengthening cooperation

between the European Banking Authority (EBA), EIOPA and the European Securities and Markets Authority (ESMA). Collectively, they are known as the three European Supervisory Authorities (ESAs).

Through the Joint Committee, the three ESAs coordinate their supervisory activities and ensure consistency in their practices. In particular, the Joint Committee works in the areas of micro-prudential supervision (safeguarding financial institutions from risk) of:

- cross-sectoral developments
- risks and vulnerabilities for financial stability
- retail investment products
- financial conglomerates
- accounting and auditing
- measures combating money laundering

The ESAs, within the Joint Committee, explore and monitor potential emerging risks for participants in financial markets and the financial system as a whole. The Joint Committee also plays an important role in exchanging information with the European Systemic Risk Board and in developing the relationship between the Board and the ESAs.

European Systemic Risk Board

The founding regulations of the ESAs and [European Systemic Risk Board \(ESRB\)](#) requires all of the parties to the ESFS to co-operate "with trust and full mutual respect".

Cooperation between the ESRB and the ESAs takes place on a:

- Macro-prudential level (interactions among financial institutions): as oversight is not meaningful unless it affects supervision and regulation at the micro-prudential level.
- Micro-prudential level (within individual financial institutions): as supervision and regulation cannot effectively safeguard financial stability without taking account of macro-prudential developments.

One of the ESRB's main objectives is to collect information to identify systemic risks. When fulfilling their tasks of market monitoring, the ESAs must provide the ESRB with all the information necessary for it to fulfil its tasks. The ESRB is also closely involved in the design of the scenarios for the EIOPA stress tests.

The ESRB Secretariat is supported by the European Central Bank (ECB), located

in Frankfurt am Main.
