

## European financial integration and EU Member States:

### The impact of the Banking Union and beyond

#### IMPACTEBU Workshop

Sciences Po Law School, 4 & 5 October 2021

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The economic and financial crisis that hit Europe a decade ago showed that the rules in force in the European Union (EU) could not cope with a banking and debt crisis appropriately. To tackle this problem, the adoption of a Single Rulebook to achieve a unified regulatory framework for the EU financial sector was set as a goal in 2009, and the European System of Financial Supervision was created in 2010.

Yet, the coordination efforts among EU Member States fostered through these initiatives soon proved to be insufficient. For this reason, the European Banking Union (EBU) was established (2013), leading to the EU gaining competences in bank *supervision* (Single Supervisory Mechanism (SSM)) and bank *resolution* (Single Resolution Mechanism (SRM)). Both the SSM and the SRM operate under responsible EU bodies (the European Central Bank and an EU agency, the Single Resolution Board (SRB), respectively), although they exercise these mandates in cooperation with Member States' authorities (National Competent Authorities (NCAs) and National Resolution Authorities (NRAs)), which have retained important powers.

A decade after the start of these reforms, **this workshop aims at examining their consequences from a Member State's perspective**, the questions that arise in this regard being for instance:

- How is financial and especially banking supervision organised in the various Member States?
- Is one or more institution in charge, and how are the competences divided among the various institutions involved (where appropriate)? In particular: which is the model of institutional arrangement in place: *functional* (i.e. supervision is divided by line of business (classically: banking, insurance and securities market) and each of them is entrusted to a separate entity); *institutional* (the responsible supervisor is dependent on the official licensing of the institution (i.e. bank, insurance company, securities firm)); *twin peaks* (two supervisors (in most cases) share the responsibility of supervision: one is in charge of prudential objectives whilst the other is responsible for the conduct of business objectives) or *single supervisory model* (a single institution is entrusted with the supervision of all institutions and all functions)?
- Have any reforms in this regard been conducted since the Great Financial Crisis? Were these reforms adopted in response to the changes operated at the global and/or EU level or were they, on the contrary, nationally-induced?
- Where appropriate: have these reforms resulted in changes in the balance of powers among national institutions?
- How is the national participation in EBU procedures and organs organised? Has this additional transfer of competences to the EU led to any tensions or reforms? For example, has it been necessary to establish cooperation mechanisms between the National Central Bank and the NCA where the NCA is not the Central Bank?

Further:

- Have any issues in the areas of administrative, democratic or judicial accountability arisen?

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- Are the binding and non-binding legal instruments used at present adequate and/or are they causing tensions and uncertainty?
- What lessons may we draw from the experience gained so far from a Member States' perspective that could feed the on-going discussions on the strengthening and the completion of the EBU in the post-COVID period?

These are but a few of the questions that the papers presented during the workshop could examine. Whilst the impact of the creation of the EBU is most felt by EBU Member States, the analysis of non-EBU as well as non-Euro area Member States (incl. the UK) is also necessary to gain a complete overview of the situation within the EU today, and to provide an assessment that could serve as a basis to devise the future reforms necessary to complete the EBU.

The proposed papers could thus examine the situation in one or more Member State, from a legal, a political science, an economic or a multidisciplinary perspective. Both analyses dealing with all or some of these issues in a single Member State, as well as cross-country, comparative analyses fit within the scope of this project.

Abstracts (250 words) should be submitted by **6 June 2021** to [diane.fromage@sciencespo.fr](mailto:diane.fromage@sciencespo.fr). The selection of the papers is expected to be announced by 20 June 2021. The two half-day workshop is scheduled to take place on 4 and 5 October 2021 at Sciences Po Law School (Paris), although it may need to be moved (partially) online if the sanitary situation does not allow for an in-person event. After the workshop, the presented papers will be published as a journal special issue. All paper givers are expected to be committed to this common project, and will have to submit a draft paper ten days in advance of the workshop (that is by 24 September 2021).

