

# Great paintings framed by tragedy

Van Dyck's great portraits of Charles I on display at the RA exhibition show how out of touch with political reality the King was in his prime. Just as Inigo Jones's outstanding Banqueting House was both one of the Stuart triumphs and the stage set for Charles's death, so the large equestrian portraits of the King fixed for ever an image of a would be autocrat with so little understanding of his people.

Charles wished to part of the privileged and cultured elite of royal Europe. He married a well connected French Princess with good links to the Pope, having failed to marry the daughter of the Spanish Catholic King. This was only some thirty years on from the Spanish attempted invasion of England by an Armada out to enforce conversion to Catholicism on a heretic nation. He spent large sums he could ill afford on a grand collection of great art, and commissioned large paintings from the best painters of contemporary Europe. Rubens was persuaded to portray the Apotheosis of James I on the Banqueting House ceiling. The effect was to remind visitors of the newly found imperial power of the united thrones of Scotland and England, with Charles as the heir to the achievement of his father. Van Dyck became the main court painter, producing many images of the King that make him unforgettable to the generations that have followed.

There are several portraits of Charles in armour sitting on horseback. It is these images that would have been unsettling to his Parliamentary critics. A man who probably rightly ended wars with Spain and France early in his reign, was to turn his armour and his military power against his own people in a prolonged civil war. He may have loved Van Dyck's flattering portrayal of him as a powerful King and horesman, armed for a fight, but it turned out to represent a power Parliament did not want him to have and a military endeavour planned against the wrong people. Instead of him coming over as a loved father of the nation, feared by our country's enemies, he increasingly came over as an autocrat who did not understand the growing role of Parliament and the importance of listening to grievances of subjects as voiced by their MPs and peers. His Catholic Queen added to his unpopularity in an age of unpleasant and often violent religious intolerance. England and Scotland were by and large protestant and expected their monarch to represent the majority view.

It is true we see very regal and authoritative images of Henry VIII and Elizabeth, though not usually dressed in armour. Their images come across as representing England. Both of those powerful monarchs allowed Parliament to meet and to argue with them. Henry VIII relied on Parliament to legislate for his religious revolution to give it greater authority. Elizabeth knew she had to appeal to her Parliaments to grant her the money she needed for the conduct of government. Charles thought for a decade he could rule without Parliament, resorting to ever more annoying ways of raising money without consent to meet his extravagant lifestyle. He was a good connoisseur of art, but it came at a heavy price. The costs of his new Palace buildings and the many paintings increased the strains with his spurned Parliament.

Seeing all these paintings together in one exhibition is a feast of great art. I came away with a reinforced understanding of just how worrying the King's elite lifestyle and sympathy for the authoritarian monarchs on the continent would have been to the Protestant in the street or the puritan in Parliament. It was no wonder he ended his life in such tragedy. Parliament took its dislike of Charles following victory on the battlefield to the extreme and contentious decision to kill the King himself. The painting traditions of the more democratic and commercially successful Netherlands make a stark comparison to Charles's taste. In the Netherlands still life, cameos of the day to day and portraits of many successful merchants and Councillors stood in contrast to the imposing regal portraits and the extensive allegories of the grand canvasses and tapestries favoured in Whitehall, in Madrid and in Paris.

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## Cities and regions critical about top-down reform delivery strategy proposed by the European Commission

The members of the European Committee of the Regions (CoR) reject the European Commission's proposal to divert money from cohesion policy to finance top-down structural reforms in the Member States. The [opinion](#), drawn up by Olga Zrihen (BE/PES), Member of the Walloon Parliament and adopted during the CoR plenary session, further highlights the importance of adopting a mixed bottom-up and top-down approach involving local and regional authorities in the design and implementation of reform processes.

The European Commission proposal of a new [reform delivery tool](#) would grant budgetary support to Member States that voluntarily engage to undertake complex structural reforms. This support would be complemented by technical assistance provided through the [Structural Reform Support Programme](#) (SRSP). For the period 2017-2020, the Commission has proposed to [double the initial financial allocations for the SRSP](#) of 142,8 mln by using the flexibility margins of the EU budget and by giving Member States the chance to divert resources from European Structural and Investment Funds to the SRSP.

The European Committee of the Regions strongly opposes the idea of diverting resources from the European Structural and Investment Funds (ESIF) – the EU's main investment tool managed in partnership with regions and cities – towards a programme which is managed centrally, with a top-down approach that does not take into account the specific needs of local communities and the crucial role of local governments in delivering structural reforms.

*" The current proposal lacks transparency and assessment criteria. It is also more than questionable to bind and commit substantial financial resources to*

*an instrument providing assistance on a pure voluntary basis. We want EU support for reforms that have a European added value, respect democratic rules and make a difference on the ground “*, said **Olga Zrihen** (BE/PES), member of the Walloon Parliament.

The rapporteur warns that disregarding local and regional authorities as partners of structural reforms would be a mistake naming lack of ownership a key reason for the slow progress of structural reforms in the framework of the European Semester. Adding a territorial dimension to the European Semester by taking into account territorial diversity in Europe and ensuring full participation of local and regional authorities in the National Reform Programmes would be a step in the right direction.

*” Any further link between EU-relevant structural reforms and cohesion policy makes it even more important that the European Semester becomes more democratic at European level. Complementing it by a [Code of conduct](#) setting standards for the involvement of local and regional authorities would help to increase efficiency and ownership. The principles of subsidiarity, proportionality and partnership should be the common foundation not only of cohesion policy but of all EU policies supporting structural reforms “*, said **Ms Zrihen**.

In relation to the new budgetary instruments for the Euro area proposed by the European Commission in December 2017, the opinion supports the creation of an EU instrument to address asymmetric shocks. However, any potential support should not overlap with but rather complement existing instruments such as the European Structural Investment Funds (ESIF) and the European Fund for Strategic Investment (EFSI). The CoR further welcomes the proposal to set up a credit line or guarantee within the future European Monetary Fund, in case the Single Resolution Fund – managing the impact of failing banks on the real economy and public finances – is not sufficient.

#### **More information:**

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# ESMA consults on supplementary guidance under the endorsement regime

The European Securities and Markets Authority (ESMA) has today published a [Consultation Paper \(CP\)](#) with proposed supplementary guidance on the application of the endorsement regime. This consultation follows on from the updated Guidelines on endorsement (November 2017), and comes in response to requests from the industry.

The aim of the proposed supplementary guidance is twofold:

1. To provide clarity regarding the general principle ESMA relies on when assessing whether an alternative requirement can be considered as stringent as a requirement set out in the CRA Regulation (CRAR); and
2. ESMA's concrete assessment of a number of alternative internal requirements which are currently in place in a third-country Credit Rating Agency (CRA).

## **Requirements which are at least as stringent as those set out in CRAR**

In the updated Guidelines on endorsement which ESMA published in [November 2017](#), ESMA clarified that compliance with the third-country legal framework will no longer be considered proof that a third-country CRA "fulfils requirements which are at least as stringent as" those set out in the CRAR. Instead, an endorsing CRA has two options to demonstrate to ESMA that the "as stringent as" condition is met:

- Stating that the third-country CRA complies with the relevant provisions of CRAR; or,
- Stating that the third-country CRA has established and fulfils alternative internal requirements, which are at least as stringent as the relevant endorsement provisions of CRAR.

## **Next steps**

The consultation will be open for a two-month period, with a deadline for submissions on 25 May 2018. The CP proposes to add the supplementary guidance as an additional subsection of ESMA's updated Guidelines on Endorsement which will apply to credit ratings issued after 1 January 2019 or reviewed after that date.

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# Consultation on Draft Guidelines on “as stringent as” notion in the CRA Regulation

This paper may be of interest to users of credit ratings, credit rating agencies and entities interested in applying to be a registered CRA.

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## **Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publically disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

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