

ESMA's Supervisory Coordination network concludes its work

The SCN was established in May 2017 as a response to emerging supervisory convergence risks with respect to the treatment of authorisation requests by EU27 national competent authorities (NCAs) in the context of the UK's withdrawal from the European Union (EU). It was composed of senior supervisors from the EU27 NCAs and chaired by Verena Ross, ESMA's Executive Director. As the Withdrawal Agreement entered into force on 31 January 2020, the work of the SCN is coming to an end.

In order to ensure a high level of consistency in authorisation and supervision, and to protect the integrity of the EU Single Market, the SCN discussed the relocation cases of firms, activities or functions into the EU27. Cases were discussed before authorisations were granted by the respective NCA. The network has worked intensively over the last three years to foster convergence in the way NCAs approach the assessment of such authorisation requests.

The SCN held discussions on 250 cases, as well as more than 150 follow-up discussions on these cases, held several thematic discussions and gathered data that allowed it to identify trends in the behaviour of relocating firms. The exchanges of views and practical experiences contributed to raising awareness in NCAs on risks associated with the relocations and led to common approaches across NCAs.

With the SCN, ESMA has set up a coordination model that facilitated open discussions and allowed supervisors to reach practical common supervisory solutions. These practical solutions have complemented the guidance provided by ESMA through other convergence tools such as supervisory briefings or Q&As.

Next steps

The SCN will hold a final follow-up meeting before the end of the year to take stock of the relocation situation and close its work. ESMA will continue to work with NCAs in preparation for the end of the transition period.