



**COUNCIL OF
THE EUROPEAN UNION**



Brussels, 7 September 2010
13209/10
PRESSE 231

Council approves compromise with Parliament on financial supervision

The Council today¹ endorsed an agreement reached with the European Parliament on 2 September on key elements of a reform of the EU framework for supervision of the financial system.

The reform is aimed at establishing a new basis for supervision in Europe, eliminating deficiencies that were exposed during the financial crisis. It involves the creation both of a European Systemic Risk Board (ESRB), which will provide macro-prudential oversight of the financial system, and three supervisory authorities: a European Banking Authority (EBA); a European Insurance and Occupational Pensions Authority and a European Securities and Markets Authority.

The agreement with the Parliament, which focuses on draft regulations establishing the ESRB and the EBA, will enable all of these bodies to be operational as planned as from 1 January 2011.

The Parliament is expected to approve the texts in first reading during its plenary session starting on 20 September. The Council will formally approve them at a subsequent meeting without further discussion.

¹ At a meeting of the Economic and Financial Affairs Council.

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