

# ESAs publish recommendations on the supervision of retail financial services provided across borders

The Joint Committee of the European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) published today a [Report](#) on the cross-border supervision of retail financial services. In this report, the ESAs identified the main issues that national competent authorities (NCAs) face when supervising financial institutions that provide cross-border retail financial services within the EU and make recommendations to both NCAs and EU institutions on how to address them. In particular, the Report calls for more clarity on when activities carried out through digital means fall under passporting rules, and for considering the identified high-level principles on cooperation as the basis for any new legislation or possible amendment to current legislation.

In their Report, the ESAs recognise that the deepening of the EU Single Market in financial services and the digitalisation of financial services have intensified the demands placed on NCAs when supervising financial institutions that provide retail banking, investment, and/or insurance services across EU borders. The Report provides an overview of the main rules that apply in the EU in respect of consumer protection, conduct of business, and the cooperation between NCAs and assesses the extent to which these rules address the supervisory issues faced by NCAs.

The Report concludes with recommendations addressed to the European Commission, Council and Parliament, proposing to amend existing, or develop new, legislation to facilitate the deepening of the single market. The Report also lists recommendations addressed to NCAs aimed at enhancing cooperation amongst them, such as following the high-level principles on cooperation laid down in the report in the absence of any detailed requirements on cooperation in the applicable legislation or liaising with the ESAs so that registers of contact points for notifications and exchange of information are kept up to date.

## **Legal basis**

The ESAs issued this report in fulfilment of the mandate conferred on them in Article 1(4) of their respective founding regulations, which requires them to contribute to improving the functioning of the internal market, including, in particular, a sound, effective and consistent level of regulation and supervision; preventing regulatory arbitrage and promoting equal conditions of competition; and enhancing customer protection.