
Mandate of the Joint Committee of the European Supervisory Authorities' Consumer Protection and Financial Innovation Sub- Committee

1. Framework

1. The main objective of the Joint Committee's Consumer Protection and Financial Innovation Sub-Committee ("the Sub-Committee") is to contribute to the mission of the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), (the ESAs) by enhancing consumer protection and helping ensure they fulfil their mandates with respect to Article 9 and 54 of the ESA Regulations.
2. The tasks in Article 9 encompass a wide variety of objectives of the ESAs:
 - o consumer protection,
 - o financial stability;
 - o the orderly functioning of markets; and
 - o convergence of regulatory practice.
3. Article 54 states that the Joint Committee (and hence its Sub-Committees) shall serve as a forum in which the ESAs shall cooperate regularly and closely to ensure cross-sectoral consistency, while considering sectoral specificities, on a number of areas, including that of "retail financial services and depositor, consumer and investor protection issues".

2. Tasks

4. The tasks of the Sub-Committee consist of assisting the Joint Committee to ensure the necessary degree of cross-sectoral consistency amongst the ESAs in relation to matters

pertaining to consumer protection and financial innovation as covered under the Joint Committee's work programme. The Sub-Committee should, in particular - in close coordination with the sectoral Committees on consumer protection and financial innovation to avoid any duplication of tasks – focus on:

- Completing a Single Rulebook for EU financial markets: Developing technical advice, draft technical standards and recommendations where mandated by the European Commission or by legislation.
- Promoting Supervisory Convergence: Leading or contributing actively, through the use of all available tools (including monitoring any issues arising from the implementation of existing Guidelines) in cross-sectoral issues in the area of consumer protection and financial innovation, including but not exclusively on topics related to PRIIPs, SFDR and the Taxonomy regulation.
- Supporting financial literacy and education by reviewing and coordinating initiatives by the competent authorities.
- Fulfilling any other specific tasks set out and agreed by the ESAs' governing bodies, and as delegated by the Joint Committee, as appropriate.

3. Type of deliverables

5. The Sub-Committee will assist the Joint Committee to:

- prepare joint positions (Article 56);
- prepare cross-sectoral common acts (Article 56), such as Regulatory and Implementing Technical Standards;
- provide advice in response to a request from the Commission;
- prepare supervisory convergence tools such as guidelines and recommendations;
- coordinate the development of cross-sectoral Q&As (Article 16b);
- prepare opinions (Article 16a);
- prepare supervisory statements;
- develop any non-legislative instruments such as discussion papers and reports;
- prepare warnings;

on cross-sectoral issues pertaining to consumer protection and financial innovation.

6. The Sub-Committee will report to the Joint Committee.

4. Internal organisation

4.1. Membership

7. The Chairpersons of the ESAs are members of the sub-committee.

8. Each voting member of the ESAs Board of Supervisors (BoS) may be represented on the Sub-Committee.
9. In Member States where more than one authority is responsible for Consumer Protection and Financial Innovation, then both/all those authorities could attend the Sub-Committee, albeit those authorities shall agree on a common position. Nevertheless, when an item to be discussed by the Sub-Committee does not fall within the competence of that Member State's ESA BoS member(s), they may bring a representative from the relevant national authority.
10. For those Member States who choose not to nominate a representative to attend the Sub-Committee, a contact person, should be designated to make sure that the respective authorities in that Member State are able to follow and contribute to the work of the Sub-Committee.
11. During his/her term of appointment, the Chairperson's competent authority may decide to send another representative to assume the interests of the national competent authority.
12. The following shall be invited as observers to the Sub-Committee:
 - o The Executive Directors of the ESAs;
 - o A representative from the European Commission; and
 - o A representative from the ESRB.

4.2. Members' profile and responsibilities

13. Members of the Sub-Committee should have expertise and experience in the area relevant to the tasks and deliverables of the Sub-Committee. They should also be empowered by their respective supervisory/regulatory authority to represent and take decisions on their supervisory authority's behalf.
14. Members are responsible for expressing dissenting views as early as possible in the process and to provide alternative proposals, where and when necessary. More generally, members are expected to provide their comments and views within the suggested deadlines.

4.3. CPFII Chairperson

15. The Sub-Committee should be chaired by either an ESA Board of Supervisor Member or his/her alternate, or an EIOPA permanent representative or his/her alternate. The term of the Chairperson's appointment shall be for two years and can be renewed once.
16. The CPFII Chairperson should be responsible for ensuring that the Sub-Committee delivers the tasks allocated to it by the Joint Committee.
17. The CPFII Chairperson shall also be an observer of the Joint Committee.
18. The CPFII Chairperson may request to hold a partial or fully restricted meeting without observers, when discussing individual regulated entities.
19. The CPFII Chairperson shall strive to reach decisions by consensus. In the event that a consensus cannot be reached, controversial issues shall be remitted by the Chairperson to the Joint Committee for its consideration;

20. When carrying out his/her tasks the CPFI Chairperson shall act in the interest of the European Union.

4.4. Ongoing work and meetings

21. Sub-Committee meetings should be directed by the CPFI Chairperson and supported by ESA staff.
22. Meetings should be arranged to follow the schedule of the Joint Committee and timelines for external and internal deliverables.
23. Additional meetings can be scheduled if necessary.

4.5. Substructures

24. Subject to the approval of the Joint Committee, the Sub-Committee may set up subgroups, .
25. No subgroup should generate further substructures.
26. Subgroups should be chaired by a member of the Sub-Committee or, where appropriate, by a technical expert from a member or observer organisation or ESA staff who shall be appointed and confirmed by the Joint Committee.
27. Members of the subgroups of the Sub-Committee should have expertise and experience in the subgroup's allocated area. The members of the substructures should in general come from the respective ESA sector committees on consumer protection and/or financial innovation.

4.6. External Relations

28. To obtain timely input on issues under consideration, the Sub-Committee may maintain direct contacts and dialogue with consumer and industry experts. For these contacts and dialogue, the Sub-Committee should rely primarily on the consumer and industry expert groups, where established, together with the ESAs' Stakeholder Groups.
29. To the extent necessary, the Sub-Committee may seek input from or exchange views with the European Commission and/or relevant committees/groups, standard setting bodies or other interested parties and ensure that ESA interests are properly reflected at these levels.

4.7. Review of the mandate

30. The Sub-Committee's mandate will be subject to review and endorsement by the ESAs' BoS every two years, and adapted to reflect any developments, as relevant and appropriate.

4.8. Effective date

31. This mandate, approved by the ESAs' BoS, will come into effect on 1 January 2022.