

Brief internal summary of the decision by the Council of Ministers (Ministerrat) on Financial Market Supervisory Reform on 21.11.2018

The decision by the Council of Ministers (Ministerrat) on 21 November 2018 focuses on **increasing efficiency**, and a **more service-oriented rather than punitive focus on financial markets supervision**. **Separation of Regulation and Supervision between the Federal Ministry of Finance (BMF) and FMA** respectively and **consolidation of banking supervision** agendas in the FMA.

Timeline:

- **Stage One (Structural Reform – until mid-2019)**, finalising of amendments to laws required for organisational changes
- **Stage Two (Operational restructuring – by year-end 2019)**

Memoranda of Understanding (MoUs) are to be concluded by the end of 2019: (1) BMF & Oesterreichische Nationalbank (OeNB) regarding the coordination of all financial market agenda, and (2) between the FMA & OeNB, on cooperation, information flow and resources for fulfilling their competences.

The future role of the BMF, FMA and OeNB in financial market supervision:

BMF: Regulatory focus.

- **Three new divisions** to be created within the Directorate General for Economic Policy, Financial Markets and Customs Duties

FMA: “One stop shop” for supervision as an integrated supervisory authority

- **Ongoing supervision** of banks, insurance companies, pension funds, corporate provision funds, asset managers, and other licenced and regulated financial intermediaries and providers
- **Conduct supervision** over capital markets, intermediaries and issuers
- **Collective consumer protection**
- As **macroprudential authority**
- As **National Resolution Authority (NRA)**
- Representation as **National Competent Authority (NCA)** in relevant international and European institutions
- **Regulatory Sandbox** to be established to support innovation in the financial sector, for FinTechs and innovative business models by existing market players
- Will take over competence for **on and off-site supervision** from the OeNB.

Audit Oversight Body of Austria (APAB)

- Will assume the FMA's current **Accounting Enforcement competence**

OeNB

- Establishment of a **Competence Centre for Financial Market Strategy and Development**
- Continued responsibility for **statistics** and **supervisory reporting**
- Continued **macroprudential analysis**
- Continued **payments supervision**
- Continued **crisis management** and **financial market stability** function

Issues of Representation in International Committees:

- **SSM Supervisory Board:** unchanged (FMA's Executive Director continues to be a voting member and OeNB Director for Supervisory Affairs will continue to be a member without voting rights).

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- **ECB Governing Council:** The OeNB Governor will be briefed on supervisory matters by the FMA for discussion and voting in the ECB Governing Council.