

On 18-19 June, a joint EBA-TARN Conference took place in London on the topic of: 'Financial Regulation, the Banking Union and the European Banking Authority: Lessons for the Future'. Academics and practitioners came together at the premises of the EBA to discuss how supervision has evolved and might evolve in the future in the ever changing landscape of the European financial system, seen from the viewpoint of EU agencies' evolution.

The first session, chaired by the EBA's Jonathan Overett Somnier focused on the challenges ahead for the EBA raised by Brexit, in particular, as an event that will influence the financial markets for years to come. Professor Michael Dougan (Liverpool University) started the session with an overview of the way the negotiations are evolving, and argued that if a deal between the UK and the EU can be brokered, there is still a lot of work to be done. This is because the questions caused by Brexit are so complex that even if there is a transition period they probably will not be solved at the end of that period. At the same time Brexit is one of the driving forces behind the review of the European Supervisory Authorities (ESAs) currently underway, Professor Christos Hadjiemmanuil (Piraeus University and Bank of Greece) argued in his presentation. The importance of equivalence will increase with the UK becoming a third country, and because the review of equivalence will be done by the ESAs, so will their influence. Professor Rosa Maria Lastra's (Queen Mary University of London) presentation focused on the necessity of independence for regulatory authorities to ensure their technical expertise is not undermined by the woes of politics and populism.

The second session, chaired by Mina Philippa (ESMA), focused on the challenges ahead for financial services and their governance. The overarching theme of the presentations was the relation between effectiveness of regulatory agencies and the institutional and constitutional constraints that exist for those agencies to be held accountable. Jonathan Foster (Barrister and former Senior Legal Officer at ESMA) spoke about the relation between accountability and discretion. While accountability must remain strong, both political and judicial, he argued that the effectiveness of agencies could benefit from more discretion in applying measures. Right now this is still too confined because of the *Meroni* framework in which authorities operate. Aneta Spendzharova (Maastricht University) presented her research that indeed the legal framework for regulatory authorities has largely stayed the same, while the powers of those authorities have grown with the adoption of every new legislative act. She pointed at budget and resources as constraining factors. Maurizia De Bellis (University of Rome 'Tor Vergata') focused on one specific aspect of accountability: legal accountability. The Short Selling Case shows that legal accountability falls or stands with the procedures that are followed in rulemaking by agencies. She points at the importance of consultation because it increases legitimacy through consensus and efficiency through improvement.

After an animated discussion and break, the session continued with Andreas Orator's (University of Vienna) presentation on the current stance of the *Meroni*-doctrine as amended by the Short Selling Case. He argued that there is still a degree of constitutional unease with the powers of agencies. Agencies do not fall under the framework of Articles 290/291 TFEU, which leaves them less curtailed than the European Institutions. Matteo Ortino (University of Verona) continued on the framework currently in place and the room it leaves for independence. In his opinion the current framework does leave room for independence, and this is a welcome discretion. He showed how independence of regulatory agencies is actually beneficial from an EU point of view, because they take decisions with the EU perspective in mind while national authorities will be prone to defend national interests.

The second day started with the third session: supervising the supervisors, chaired by Ellen Vos (Maastricht University). Despina Chatzimanoli (EBA) provided an insider's view to the theoretical discussion by looking at the adoption of EBA implementing technical standards (ITS) for supervisory reporting in the EU as a case-study of how the *Meroni* doctrine works in practice in a particular context. She then provided legal argumentation in favour of replacing, in this area at least, the European Commission's rubberstamping of the EBA ITS with EBA direct decisions, thereby providing context and rationale to the respective EBA Opinion on the matter. Diane Fromage (Maastricht University) presented her research about the accountability of the ECB and the different mandates it has. For the different 'hats', for example the ECB as providing monetary policy or as supervisor, there are different systems of accountability. She showed that the system works, but that the practice of it can improve. The overarching challenge for those who can hold the ECB accountable, mainly the European Parliament as well as national parliaments, is that the 'supervisors' of the supervisor need to have access to their own technical expertise. Michelle Everson (Birkbeck College) spoke of how the position of supervisors has evolved from guardians to partners. Because the mandate of supervisors is to ensure a well-functioning financial market, supervisors, while still able to make demands and issue punitive measures, increasingly (need to) work together with banks. This opens the doors to a new kind of accountability: reputational accountability. The frameworks in which supervisors have to operate have to take this new role and accountability into account and leave a larger degree of discretion to the supervisors.

The fourth session, chaired by Fabian Pereyra (EMCDDA) featured presentations by Maurizia de Bellis (University of Rome 'Tor Vergata'), Merijn Chamon (Ghent University) and Michelle Everson (Birkbeck College) on the work that TARN has accomplished in the past years. The many events, such as the conference on the external dimension of European agencies and workshop in Maastricht showcasing the work of young researchers, have provoked an increasing body of research. This conference and the lively discussions after the sessions show that there are still many challenges ahead that merit further thought and academic scrutiny, which the TARN can explore in the second phase of its life, TARN 2.0.