

# The «Less is more» Report

*Proposals for simplifying and improving European rule-making in the financial services sector*

**Eurofinas & Leaseurope Congress  
Cascais, October 10, 2025**

 PERSONAL FINANCE  
& MOBILITY

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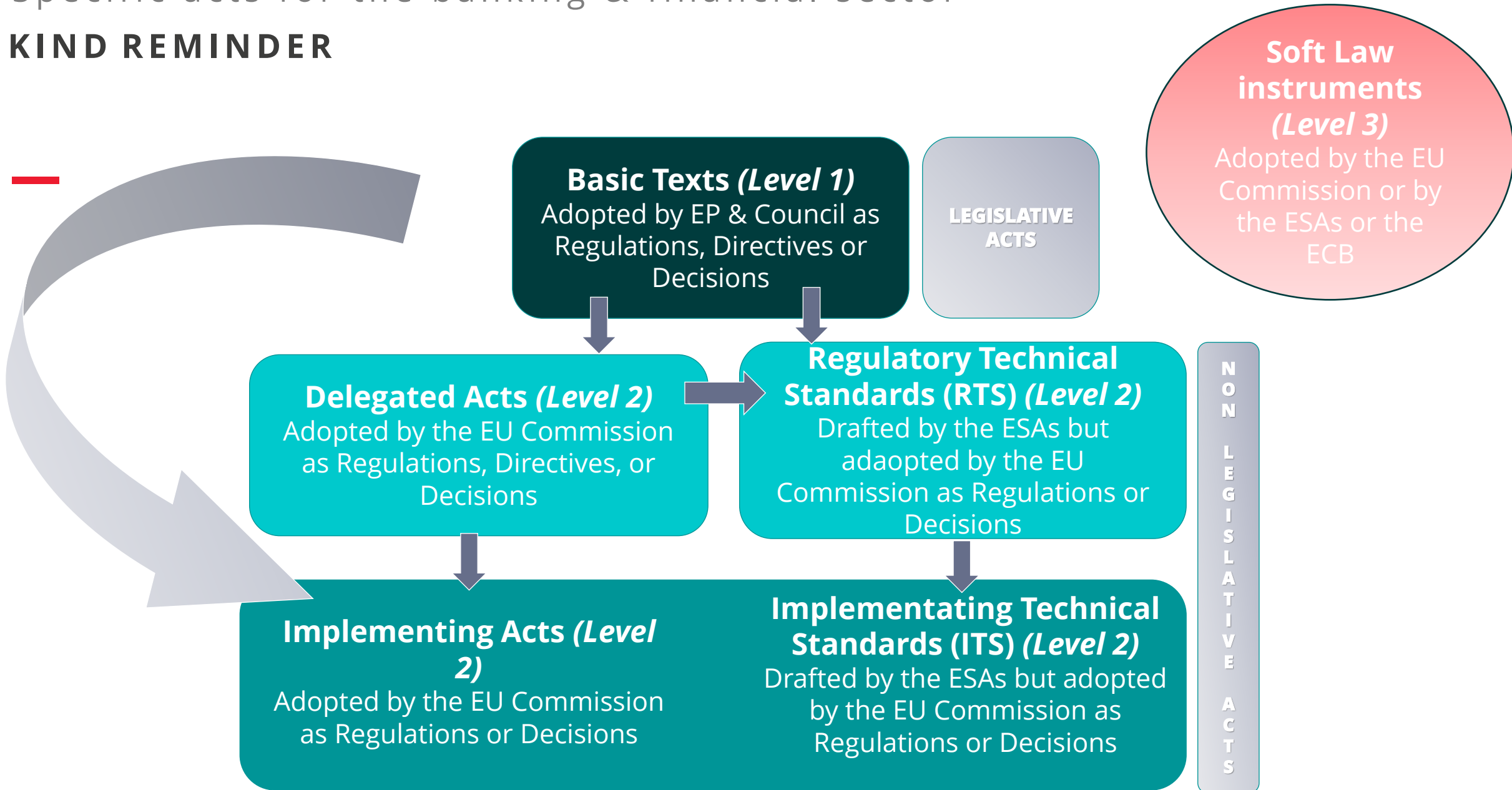
- 04.** Solution proposals

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- 05.** An ad-hoc working group with contributions from numerous

# Specific acts for the banking & financial sector

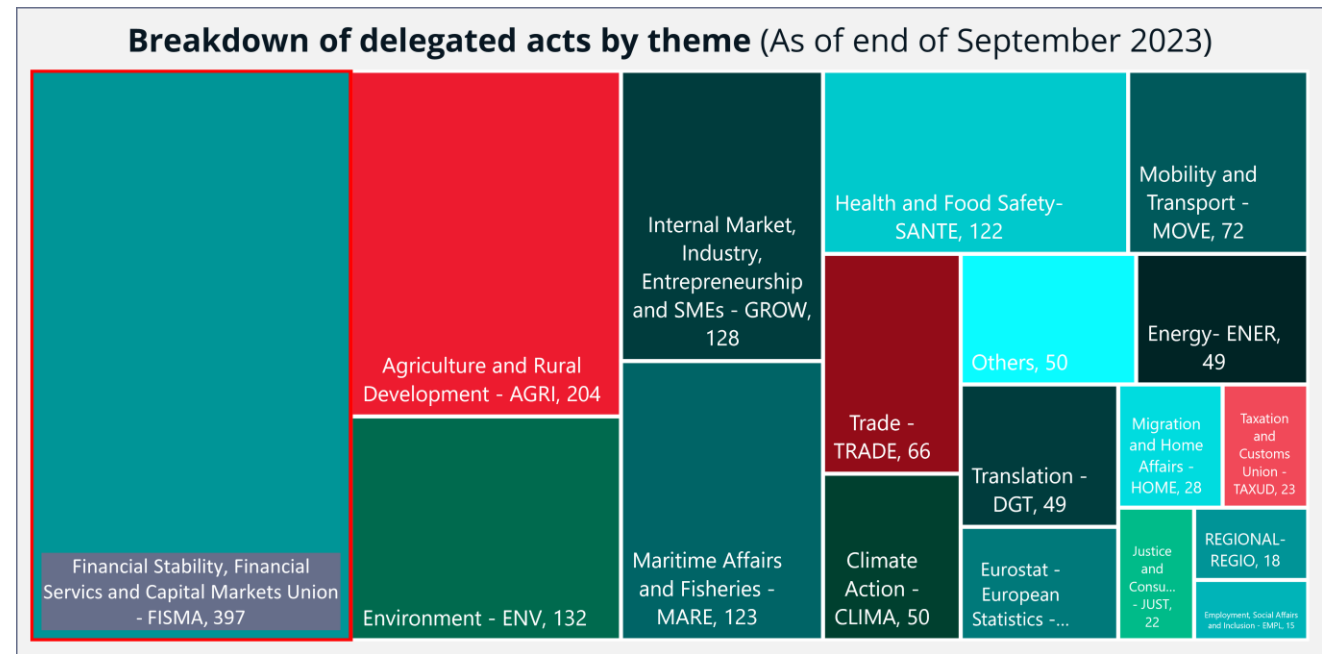
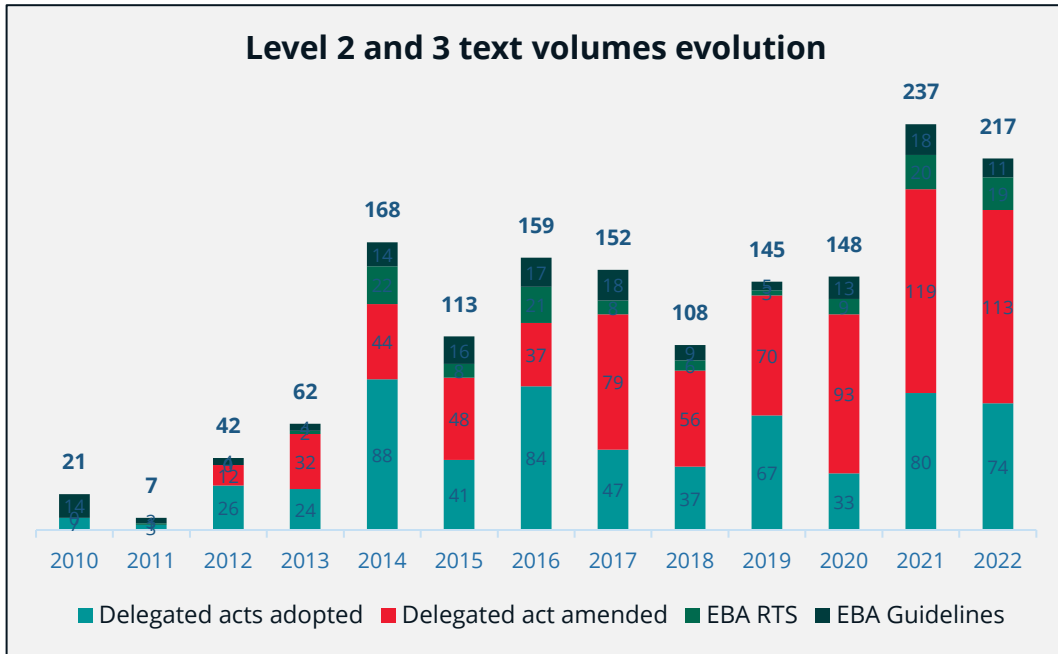
## KIND REMINDER





# 1 | An increasingly significant role for level 2 and level 3 acts

## SOME ILLUSTRATIONS



## +43% from 2017 to 2022

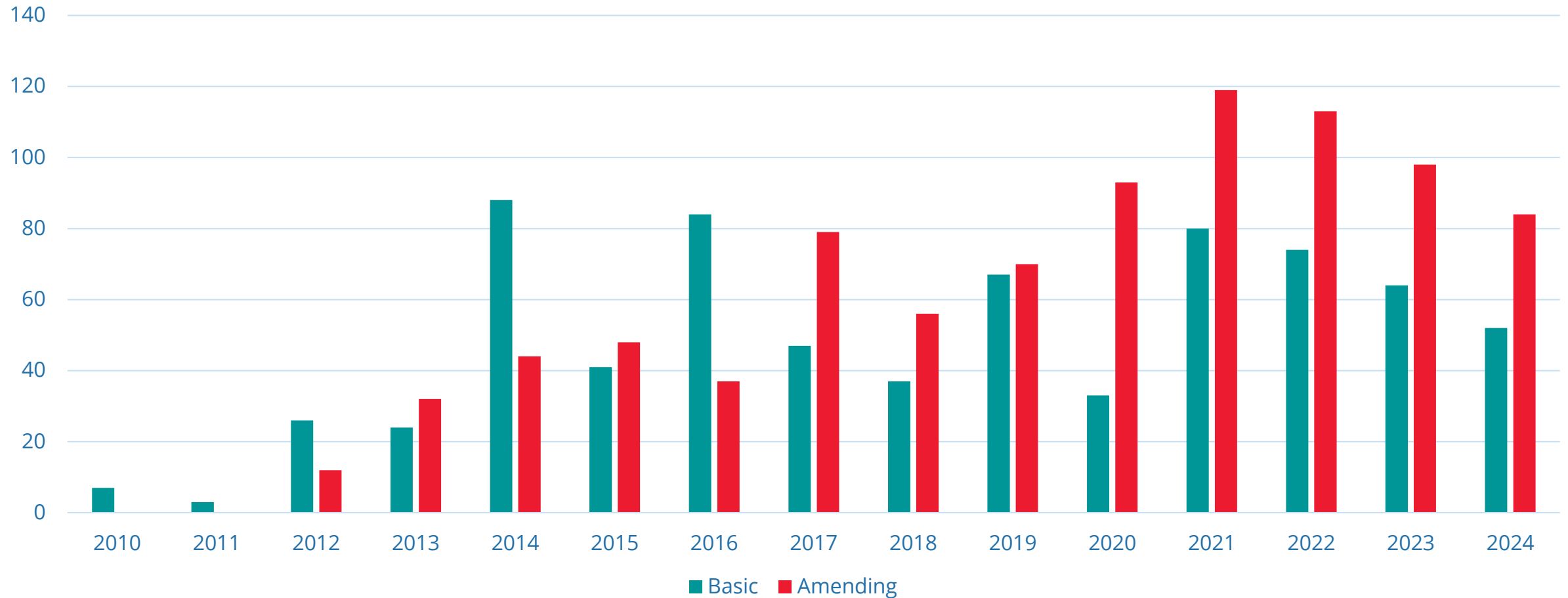
With the volume of delegated acts growing significantly (83/year from 2021 to 2023) and the number of RTS doubled since 2020.

## 25% of delegated acts (397) concern financial stability and financial services

Source : [EU Legal Acts - statistics](#)

# Number of delegated acts adopted per year

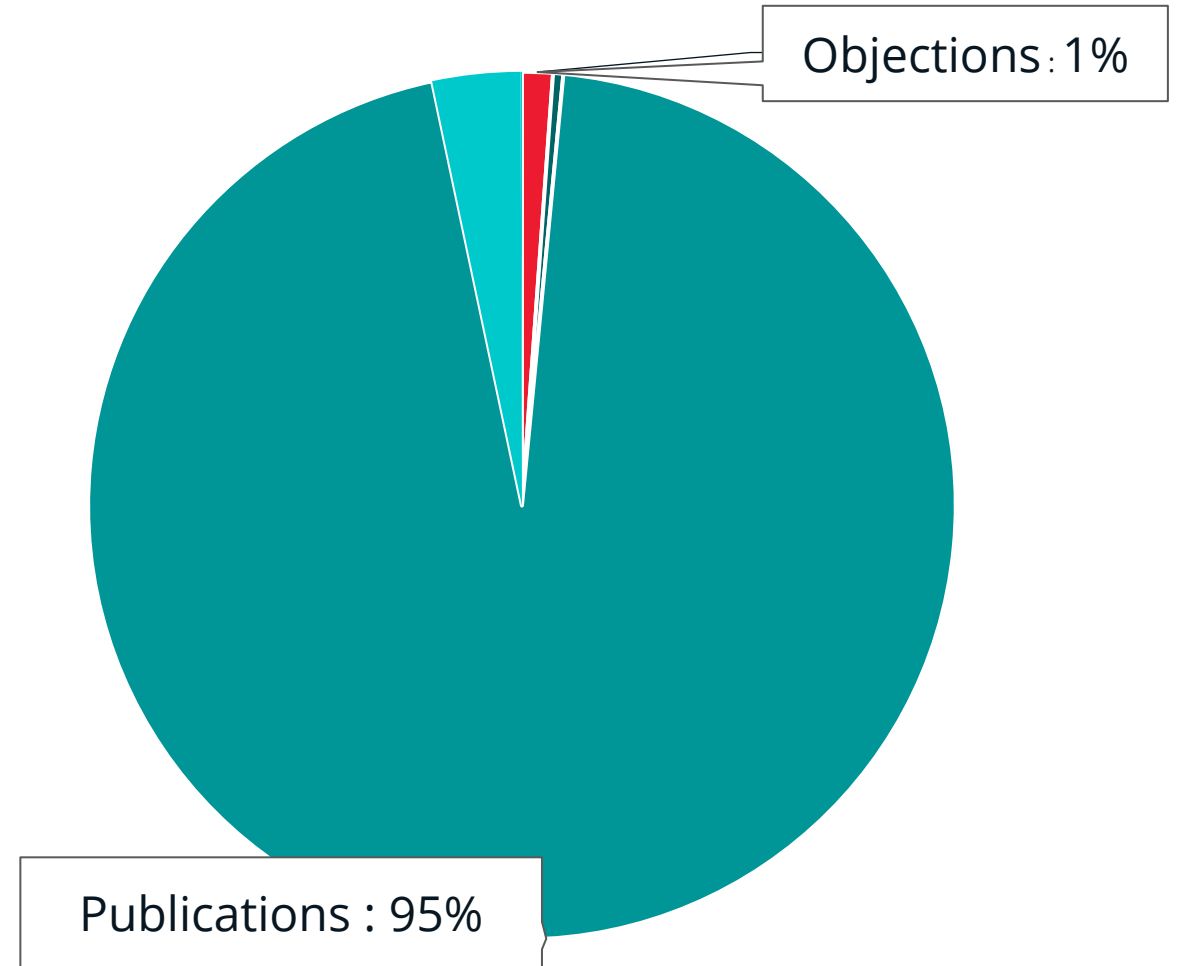
Distinction between the acts adopted and those amended (updated)



*Source : Legal acts – statistics - EUR-Lex (europa.eu)*

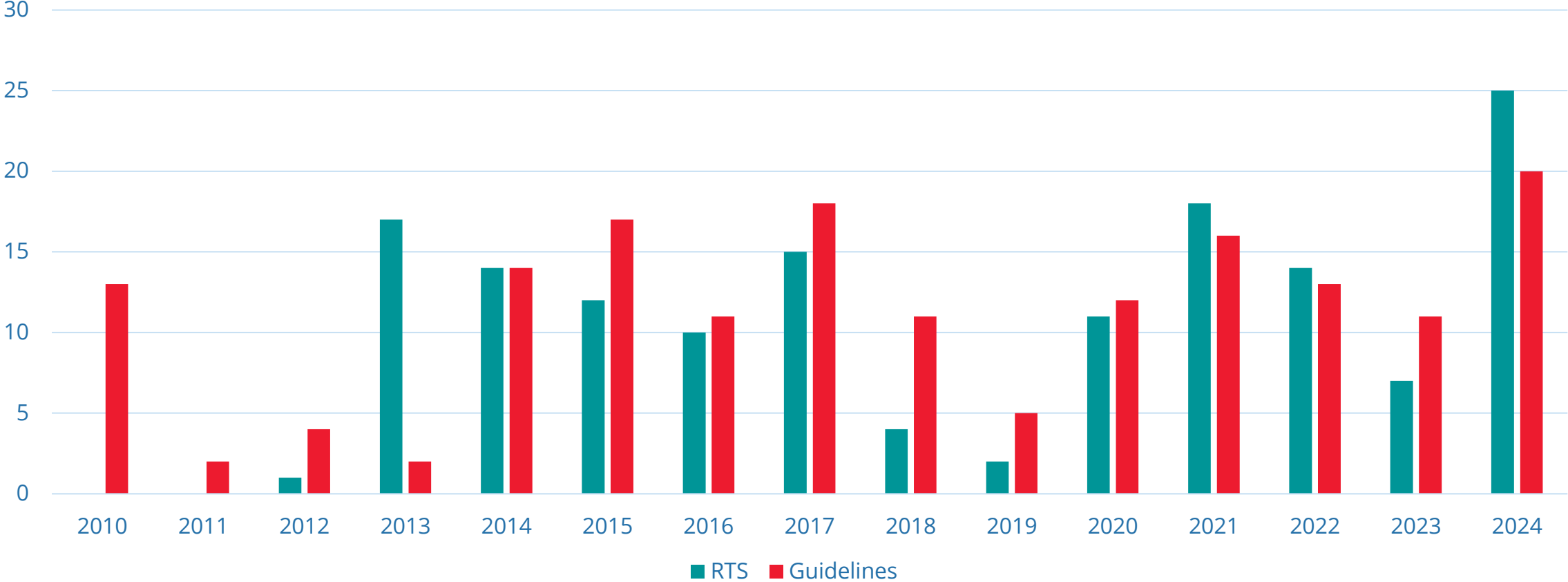
# Snapshot : Delegated acts volume since 2010

- 1747 Published delegated acts
- 60 Adopted delegated acts
- 1 Notified delegated acts
- 7 have been withdrawn
- 23 have been subject to an objection



■ Objections ■ Withdrawals ■ Publications

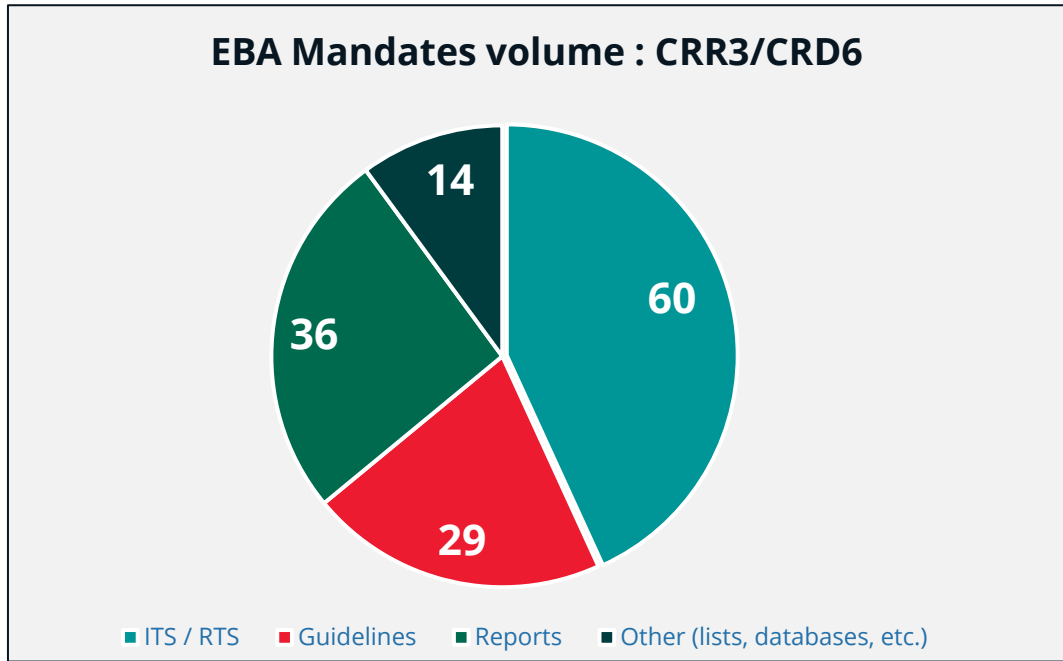
# Publication of RTS and Guidelines EBA per year





# 1 | An increasingly significant role for level 2 and level 3 acts

## SOME ILLUSTRATIONS



### 139 mandates assigned to EBA for the CRR3/CRD6 banking package

(Including 60 new mandates for drafting technical standards and 29 for the adoption of guidelines, for a total of 89, compared with 62 under CRR2/CRD5, which represents a growth of +44%).

MIFID	Payment services Directive	EMIR	ECB Guides
19 RTS	11 EBA Mandates	25 RTS	30 Guides
42 Other Delegated Acts	240 Q&A EBA	25 Other Delegated Acts	

### Delegations of Level 1 texts impacting all banking activities...

### And lots of spontaneous *Soft law*

## PRACTICAL INITIATIVES

01



Creation of an *ad hoc* working group (composed of law professors, lawyers, legal experts), with the support of the ESBFL/AEDBF, working for more than 2 years on Level 2 and 3 texts

02



Integration of reviews from personal contacts and European associations (EACB, EBF, ESBG, EFSA)  
Informal contacts with the institutions

03



A European report, highlighting issues and proposing solutions, with a foreword by J. de Larosière

## CONTRIBUTING PROFESSORS

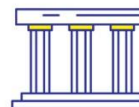
- **Prof. Blanche SOUSI**, Jean Moulin Lyon 3 University
- **Prof. Anne-Claire ROUAUD**, Paris 1 Panthéon – Sorbonne University
- **Prof. Pauline PAILLER**, Paris Descartes University
- **Prof. Francesco MARTUCCI**, Paris-Panthéon – Assas University
- **Prof. Lucian BERCEA**, West University of Timisoara, Roumanie
- **Prof. Philipp DONATH**, University of Labour, Frankfurt am Main
- **Prof. Dr Matthias LEHMANN**, University of Vienna
- **Prof. Paola LUCANTONI**, University of Rome
- **Prof. Filippo ANNUNZIATA**, Bocconi University, Milan
- **Prof. Roberto FERRETTI**, Ca' Foscari University, Venice
- **Prof. Paolo Flavio MONDINI**, Cattolica del Sacro Cuore University, Milan
- **Cristina POPA TACHE**, University in Constanța, Romania
- **Prof. Marco VENTORUZZO**, Bocconi University, Milan



ESBG

EBIC

EFSA



AEDBF



# AN INCREASE IN VOLUME AND AN ACCELERATION IN THE PACE OF PUBLICATION OF THE TEXTS

- Rising standards requirements for the financial services sector
- Increased adoption of Level 1 texts
- Ever-faster revision of Level 1 texts



- Significant increase in the number of mandates given to the Commission and ESAs to adopt more detailed Level 2 and 3 texts



- We note a desire to reach political agreements quickly, and in some cases to avoid a second reading which would delay the adoption of texts.
- This multiplication and acceleration of publications increases the operational workload of financial institutions, resulting in struggles to implement, hindering even more their competitiveness and their ability to meet customer expectations.



## SEVERAL LIMITS IDENTIFIED

1

### INSUFFICIENT ANALYSIS

Lack of systematic and high-quality impact assessments, prior consultation and transparency with stakeholders / 2nd reading / Conditions of political agreement



2

### CONTRADICTORY MEASURES OR MEASURES THAT MAY HAVE NO LEGAL BASIS

With level 2 and 3 requirements often adding to level 1 requirements (risks, costs, discouragement of consumers)  
Some contradictions with national laws



3

### UNCERTAINTY ABOUT THE EFFECTS OF SOFT LAW

- Soft law is not binding in law, but supervisors do expect institutions to apply it
- National competent authorities almost systematically comply with ESAs guidelines



4

### LACK OF ALIGNMENT IN PUBLICATION SCHEDULES

Dependency between texts, which results in failure to implement in certain cases, legal risks and rising IT costs



5

### LACK OF EFFECTIVE CONTROLS

- From co-legislators / accountability
- Limited judicial review (see CJUE, FBF decision of July 15, 2021 and French Conseil d'Etat, decision of July 22 )



**PROPOSALS FOR IMPROVEMENT COVERING 4 MAIN AREAS**

- 01** Evaluating, stabilising and simplifying the regulatory framework and renewing the interinstitutional agreement on “Better Regulation”
- 02** Reinforcing consultation and transparency at Level 2 and Level 3
- 03** Reviewing the ESA founding regulations
- 04** Strengthening the control of Level 2 and Level 3 acts



## 5 | An ad-hoc working group with contributions from numerous European associations

### Conclusion

01



The Less is more report highlights the multiplication and acceleration of publications, the increase in the level of requirements of European Level 2 and 3 texts in the field of financial services and the shift in standard-setting power, and their consequences.

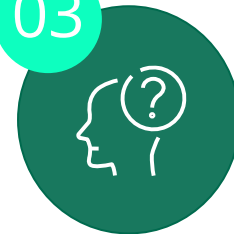
02



It is in line with the conclusions of the Letta and Draghi reports and the priorities of the new Commission, the positions of some Member States and Central Banks, MEPS, supervisors.

Although, **the report stresses that reducing administrative burdens, reporting, traceability and simplifying the existing regulatory framework is not enough.**

03



It proposes a 'toolbox' for simplifying the existing framework, legislating better but also allowing for more controls. The report in no way advocates deregulation.

# PROPOSALS FOR IMPROVEMENT COVERING 4 MAIN AREAS

Recommendations of the « Less  
is more » Report



APPENDICES

# (01) Stabilising, simplifying the Level 1 regulatory framework and renewing the interinstitutional agreement on “Better Regulation”

- **Assess and simplify the existing regulatory framework:**
  - Simplify by eliminating technical standards and soft law that have become obsolete, ensuring consistency across different texts;
  - Systematize impact assessments and improve their quality through standardizing and monitoring;
  - Omnibus texts

### For the future:

- **Limit general review clauses** (also known as “rendez-vous” clauses), which are factors of legislative instability;
- Assess the need to revise or add a Level 1 text with a standardized, controlled and more transparent **impact assessment**, taking real account of the competitiveness of the European financial services sector and, more broadly, the European economy;
- **Limit the number and scope of delegations** entrusted to the Commission and of mandates handed to the ESAs.

## (02) Reinforcing consultation and transparency at Level 2 and 3

- **Evaluating, simplifying the actual framework**

More importantly, for the future:

- **Strengthen the stakeholder consultation process** by :
  - Amending the ESA founding regulations to ensure systematic consultation prior to the adoption of RTS / ITS ;
  - Guaranteeing the effectiveness of the consultation process, via an appropriate response deadline, an appropriate timetable, allowing open responses and more precise feedback;
  - Introducing a new approach to consultation, e.g. by involving stakeholders informally, at a very early stage via meetings;
- **Review the expert group system**, e.g. publish the composition of expert committees, their mission and remuneration;
- Facilitate access to the amendments proposed by the Commission on RTS and ITS;
- Put in place mechanisms to **resolve timing conflicts**, when Level 1 comes into effect while Level 2 is not ready.

### (03) Reviewing the ESA founding regulations

- **Diversify the governance of ESAs**, according to their role in the normative process and to the markets concerned;
- **Take greater account of the competitiveness** of the European financial services sector and, more broadly, of the European economy;
- **Limit the right to adopt recommendations and guidelines**, which could only be adopted only on the basis of a mandate provided in a Level 1 text;
- **Clarify the “comply or explain” process**, and in particular :
  - Recall that guidelines must respect the principles of proportionality and subsidiarity;
  - Specify that institutions, whether or not they are under ECB supervision, must make every effort to comply with the guidelines only when the NCA has declared its compliance; and furthermore, that they may achieve the objectives of the Level 1 act by adopting and when necessary explain other practices;
- Emphasize that no sanctions or Pillar 2 prudential requirements can be adopted simply on the basis of guidelines.

### (04) Strengthening the control of Level 2 and Level 3 acts

#### □ **Strengthen political control by the Commission, European Parliament and Council**

Regarding Level 2 acts:

the Commission's right of amendment;

the right of the European Parliament and of the Council to object, notably by allowing them to partially reject a technical standard adopted by the Commission.

Regarding Level 3 acts:

clarify the reasoned opinion procedure in the event of excess of power on the part of the Authority, and make the conditions of admissibility more flexible, so that the competent authorities and institutions to which the guidelines are addressed can petition the Commission to adopt a reasoned opinion;

a review of the basis for the ECB's supervisory expectations.

□ **Develop the possibility of pre-litigation appeals concerning Level 3 acts**, by expanding the role of the ESAs' Board of Appeal, reinforcing the guarantees of independence of the ECB's Administrative Board of Review and expanding its role;

□ **Strengthen judicial review of Level 3 acts**, in particular by ensuring compliance with the obligation to refer preliminary questions to the ECJ



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# MERCI POUR VOTRE ATTENTION.

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A family of four is sitting on the open trunk of a blue car. The father is sitting in the middle, the mother is on the right holding a baby, and a young girl is on the left. They are in front of a house with solar panels on the roof. The car has a charging cable plugged into it.

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