

Navigating 2020: Dentons provides guidance on EU financial supervisory priorities

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Frankfurt —Dentons, the world's largest law firm, has launched *Navigating 2020*, an in-depth guide to Eurozone, Banking Union and Capital Markets Union policy and the EU's supervisory priorities for 2020 and further ahead.

Navigating 2020 is a resource that EU-regulated financial institutions and other market participants can consult to understand supervisory aims and expectations, and in particular the compliance challenges they will face in the year ahead. It builds on Dentons' successful *Navigating 2019* guide, released last year.

Key findings

Building on the trend set in 2019, the EU level authorities (EBA, ESMA, EIOPA), Banking Union (ECB-SSM and SRM), and national authorities are pushing for a stronger, more coordinated tone and frequency of supervisory engagement.

Michael Huertas, Co-Head of the Europe Financial Institutions Regulatory group at Dentons, explains what this means for European financial institutions, "The authorities are focusing more deeply on 'strategic steering' and general business model analysis. Not only will supervised institutions need to focus on compliance and governance requirements, but they will need to be prepared to explain and defend their decision-making and how they arrived at a particular decision."

The supervisory community is looking to step-up both thematic reviews as well as coordinated, multi- jurisdictional on-site inspections. Governance, risk and conduct of business shortcomings are all likely to be under much sharper supervisory scrutiny. European financial services supervision are looking to deepen its existing mandate but also develop new core areas of focus over the next decade.

The following headline issues are likely to affect all types of market participants across the EU-27 and the Banking Union-19:

1. Stepping-up the pace of preparedness on the road to IBOR replacement rates, given pending deadlines
2. Reducing conduct of business failings across the board i.e., from AML to zooming in on correct regulatory reporting
3. Improving business profitability and driving efficiency through digitization (as strongly encouraged by regulators) and/or consolidation (M&A)

Other key regulatory themes for 2020 will include Brexit operational readiness and the role of the EU's Green Deal and sustainable finance in achieving carbon neutrality by 2050.

About the report

The *Navigating 2020* guide was prepared by members of Dentons' Eurozone Hub , a Europe-wide group of financial

regulatory lawyers, who advise on Eurozone regulation, supervision and monetary policy.

The guide can be downloaded free of charge [here](#).

Last year's Navigating 2019 guide is available [here](#).

About Dentons

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