



EBA 2019 WORK PROGRAMME

23 OCTOBER 2018

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LIST OF ABBREVIATIONS

AML/CFT	anti-money laundering/combating the financing of terrorism
AMLD	Anti-Money Laundering Directive
AT1	Additional Tier 1
BCBS	Basel Committee on Banking Supervision
BRRD	Banking Recovery and Resolution Directive
CA	competent authority
CA(s)	contract agent(s)
CET1	Common Equity Tier 1
CfA	Call for Advice
CMU	Capital Markets Union
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CVA	credit valuation adjustment
DGS	deposit guarantee scheme
DGSD	Deposit Guarantee Schemes Directive
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
ECAI	external credit assessment institution
EEA	European Economic Area
EFTA	European Free Trade Association
EIOPA	European Insurance and Occupational Pensions Authority
EMIR	European Market Infrastructure Regulation
ESA	European supervisory authority
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
EU	European Union
FOLTF	failing or likely to fail
FRTB	fundamental review of the trading book
FSB	Financial Stability Board
FTE	full-time equivalent
GL	guidelines
G-SIB	global systemically important bank
HR	human resources
IA	impact assessment
IASB	International Accounting Standards Board
IFD	Investment Firm Directive
IFR	Investment Firm Regulation

IFRS 9	International Financial Reporting Standard 9
IMF	International Monetary Fund
IRB	internal ratings-based
IRRBB	interest rate risk in the banking book
IT	information technology
ITS	Implementing Technical Standards
JC	Joint Committee
LCR	liquidity coverage ratio
MCD	Mortgage Credit Directive
MiFIR	Markets in Financial Instruments Directive
MLD	Money Laundering Directive
MLR	Money Laundering Regulation
MoU	memorandum of understanding
MREL	minimum requirement for own funds and eligible liabilities
NCA	national competent authority
NPL	non-performing loan
NRA	national resolution authority
NSA	national supervisory authority
NSFR	net stable funding ratio
PSD2	Payment Services Directive (revised)
PSE	public sector enterprise
Q&A	questions and answers
RTS	Regulatory Technical Standards
SA-CCR	Standardised Approach for Counterparty Credit Risk
SNE	seconded national expert
SPD	single programming document
STS	simple, transparent and standardised
SREP	supervisory review and evaluation process
TA	temporary agent
TLAC	total loss-absorbing capacity
TS	technical standards
WAL	weighted-average life

EXECUTIVE SUMMARY

Introduction

1. Pursuant to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing the EBA, the EBA's work programme provides a comprehensive overview of the Authority's objectives and activities for the next few years in accordance with its mandate and the ambitions of the Management Board.
2. The planning of the EBA's work programme is an essential exercise to determine the focus of the EBA's work and where it should allocate its resources, allowing appropriate prioritisation of the EBA's tasks for 2019. The EBA's work programme comprises its annual and multi-annual work programmes.
3. The 2019-2022 multi-annual work programme is defined by the strategic areas that the EBA has proposed for the forthcoming years, and summarises the main objectives derived from the mandates specified in the regulation and from the relevant EU banking sector legislation.
4. Each strategic area is complemented with annual work programme activities that detail the tasks to be delivered within the year and the resources needed for that purpose. These provide transparency and accountability to the EBA's stakeholders, serving to internally link the day-to-day work and processes to strategic areas.
5. The EBA expects a considerable number of legislative reforms from the Commission (as is already reflected in this document), which will affect the planned work for 2019. These are (i) a review of the CRR and the consequences of the BCBS's revision of the trading book; (ii) implementation of TLAC; (iii) a follow-up on the discussion on proportionality in the regulatory framework; and (iv) possible mandates stemming from the covered bonds legislation.
6. The EBA has also received new mandates that are already included in this document. These are (i) the mandates on the securitisation framework in the context of the CMU, which are due to be delivered in 2019; (ii) the mandates on NPLs; (iii) the mandates on FinTech¹; and (iv) the mandates on sustainable finance².
7. Furthermore, the UK's triggering of Article 50 of the Treaty on European Union has started the 2-year process for its withdrawal from the EU, which has had a twofold impact on the EBA and its work programme. Firstly, the EBA is actively engaged in the coordination of the CAs' work around institutions' contingency planning and preparedness and analysis of risks and policy implications for the EU institutions, as well as coordinating the work on supervisory cooperation between the authorities, including their development of MoU templates. In addition, given the EBA's expected relocation, Brexit significantly affects the EBA's own operations as well. Therefore, Brexit-related work will remain a horizontal priority for the EBA in 2019. Secondly, the EBA's other activities may be affected in the future and any substantial

¹ https://ec.europa.eu/info/publications/180308-action-plan-fintech_en

² https://ec.europa.eu/info/publications/180308-action-plan-sustainable-growth_en

change in the work programme will be communicated in due time, in order to seek steering and approval from the Management Board and Board of Supervisors.

8. On 12 September 2018, the Commission published a communication³ to strengthen the Union framework for prudential and AML supervision for financial institutions. The strategy, based on an analysis by a Joint Working Group with the ESAs' participation, primarily focuses on strengthening the EBA's role as an authority for tackling money laundering at the EU level, and proposes to assign additional tasks to the EBA.
9. Finally, in the areas of payment services and consumer protection, the EBA will be shifting its focus towards the convergence of supervisory practices, in respect of the EBA's product oversight and governance guidelines as well as the transitional period of the PSD2.

The EBA's mission

10. The EBA's mission is 'to build a single regulatory and supervisory framework for the entire banking sector in the 28 EU Member States⁴, so as to ensure an efficient, transparent and stable Single Market that benefits its consumers, businesses and the broader economy'.
11. The main task of the EBA is to contribute, through the adoption of binding technical standards and guidelines, to the creation of the European Single Rulebook in banking. The Single Rulebook aims to provide a single set of harmonised prudential rules for financial institutions throughout the EU, helping to create a level playing field and providing a high level of protection for depositors, investors and consumers.
12. The Authority also plays an important role in promoting the convergence of supervisory and resolution practices to ensure a harmonised application of prudential rules. Finally, the EBA is mandated to assess risks and vulnerabilities in the EU banking sector through, in particular, regular risk assessment reports and EU-wide stress tests.
13. Other tasks set out in the EBA's mandate include:
 - investigating allegedly incorrect or insufficient application of EU law by national authorities;
 - taking decisions directed at individual CAs or financial institutions in emergency situations;
 - mediating to resolve disagreements between CAs in cross-border situations;
 - acting as an independent advisory body to the European Parliament, the Council or the Commission;
 - taking a leading role in promoting transparency, simplicity and fairness in the market for consumer financial products or services across the internal market.

³ [http://europa.eu/rapid/press-release MEMO-18-5725_en.htm](http://europa.eu/rapid/press-release_MEMO-18-5725_en.htm)

⁴ The EEA and EFTA countries were included in 2016.



14. To perform these tasks, the EBA is mandated to produce a number of regulatory and non-regulatory documents, including binding technical standards, guidelines, recommendations, opinions and ad-hoc or regular reports.

THE EBA'S STRATEGIC PRIORITIES

Introduction

15. The EBA has agreed at the EBA Management Board the key priorities for the organisation, which have been reflected in the preparation of this EBA 2019 Work Programme, to be submitted to the European Parliament, the Council and the Commission by the end of September 2018.
16. The EBA strategic priorities have taken into account the new EBA organisation and envisaged tasks for 2019.

Defining 2019 strategic priorities

I. Leading the Basel III implementation in the EU

17. The development of the Single Rulebook and its effective and consistent application will remain the core business of the EBA during 2019. The EBA is still likely to have a significant amount of regulatory mandates in the coming 3 years, following (i) the endorsement of the CRDV-CRR2-BRRD2 package and (ii) the preparation of the implementation of the Basel III framework. In addition to this development of the EBA Single Rulebook for supervision and resolution, the focus of the organisation will increasingly shift to the 'implementation surveillance' function, as reflected in the recent internal restructuring of activities.
18. In the first instance, extensive impact assessments will be needed to analyse the effect of the international standards and ensure that they are transposed in accordance with the principle of proportionality, taking into account the compliance burden for smaller and less sophisticated banks and the impact on different business models. Secondly, the newly agreed framework should be complemented with two equally important toolkits to address and monitor undue variability and potential arbitrage in the risk-weighted assets calculation: the bottom-up repair of modelling practices and the benchmarking analysis of internal models. Finally, transparency vis-à-vis the markets should be enhanced to accompany the implementation of the newly agreed rules.

II. Understanding risks and opportunities arising from financial innovation

19. Financial innovation offers great opportunities but also introduces new risks and challenges, having the potential to transform the financial system across a broad range of products and services. Product innovation, including the implementation of the simple and transparent securitisation framework, and the sustainable finance and green bonds standards, will be an important element in the EBA's work.
20. Financial technology will affect many aspects of banking, such as business models and consumer interaction, reporting and compliance (including anti-money laundering), and the development of new financing.

21. The EBA has a FinTech Roadmap in place, approved by the Board of Supervisors in February 2018. The EBA will have to secure the right balance between close monitoring of the perimeter and ensuring supervisory neutrality towards new technology. By setting up the EBA FinTech Knowledge Hub, the EBA will facilitate information and experience sharing, to raise awareness and to support the transfer of knowledge on FinTech.
22. The EBA will work in the following policy areas: (i) authorisation and regulatory sandbox regimes; (ii) prudential risks for institutions and the impact of FinTech on the business models of institutions; (iii) broader cyber security issues; (iv) consumer protection and retail conduct of business issues; (v) the impact of FinTech on the resolution of credit institutions and investment firms; and (vi) the impact of FinTech on AML/CFT.

III. Collecting, disseminating and analysing banking data

23. The finalisation of the data infrastructure and analytical project will put the EBA in a position to function as an EU-wide data hub for CAs as well as for the public. The expanded access to supervisory data should allow further improved risk analysis and facilitate enhanced dissemination and disclosure of bank data, including Pillar 3. It will also enhance the EBA's ability to assess the impact of regulatory reforms, with a special focus on proportionality and the possibility of analysing the effects on specific business models while reducing significantly the need for ad hoc data collections. The EBA will also be better positioned to develop evidence-based policy analysis, with the aim of leading EU-wide debates on regulatory and supervisory matters, as well as expanding its portfolio of publications.

IV. Ensuring a smooth relocation of the EBA to Paris

24. The EBA relocation to Paris represents a significant challenge for the EBA. The EBA staff and business will be affected by this change, which exposes the organisation to a high operational risk.
25. The objective for 2019 will be to implement a smooth relocation to Paris and reduce the level of disruption for staff and stakeholders to a minimum, in order to maintain business continuity.

V. Fostering the increase of the loss-absorbing capacity of the EU banking system

26. During the shift from bail-out to bail-in, it is of paramount importance to support credit institutions and resolution authorities in their efforts to progressively build up gone-concern, loss-absorbing and recapitalisation capacity.
27. To address this need, the EBA's objective will be to ensure that MREL decisions taken by resolution authorities are supported by (i) credible and consistent resolution-planning work and (ii) clarity on the expected composition and quality of MREL, in terms of both subordination and, if applicable, other eligibility criteria and potential exclusions.

Horizontal priorities for policy work across the EBA

28. **Further efforts in implementing the proportionality principle.** Proportionality is not seen as a strategic objective per se, as the proportionality principle is to be taken into account in all EBA activities rather than an objective in itself.
29. **Strengthening supervisory convergence and integrity of the Single Rulebook.** The EBA convergence strategy is based around three key elements: (i) monitoring and assessment; (ii) regulatory products; and (iii) training. Monitoring and assessment is conducted by the EBA staff through peer reviews, desk-based reviews, college monitoring and bilateral engagements with competent and resolution authorities. Identification of divergent supervisory or resolution practices and/or outcomes leads to the development of regulatory products, for which the EBA's training for the authorities is used to ensure their consistent application.
30. **Enhancing consumer protection.** The EBA will continue to enhance the protection of consumers who use banking and payment products such as mortgages, personal loans, deposits (including structured deposits), payment accounts, payment services and electronic money. In so doing, it will promote transparency, simplicity and fairness in consumer financial products and services across the EU Single Market.
31. **Preparation for the withdrawal of the UK from the EU.** On 29 March 2017, the United Kingdom triggered Article 50 of the Treaty on European Union, beginning the 2-year process for its withdrawal from the EU. In response to these developments, and within its mandate, the EBA is actively engaged in the coordination of the CAs work around institutions' contingency planning and preparedness and analysis of risks and policy implications for the EU institutions, as well as coordinating the work on supervisory cooperation between the authorities, including their development of MoU templates.

THE EBA'S ACTIVITIES

Activity 1: Capital

Description	<p>The main objectives are to ensure the robustness of the quality of capital of EU institutions and to ensure consistency in the implementation of the regulatory provisions coming from the CRR or TS.</p> <p>The EBA is to conduct a comprehensive project on monitoring CET1 issuances and maintaining a public list of CET1 instruments, for which an assessment of all new types of instruments will be necessary. In addition, to monitor financial innovation and to keep the terms and conditions of issuances as simple as possible, the EBA is to regularly engage in dialogue with numerous stakeholders to follow developments and provide guidance in the area of capital and capital issuances.</p> <p>The EBA will also reflect on how to convey a good understanding of the stacking order of the different layers of capital and buffers (and the related aspects of MDA) in the context of the review of the CRR/CRD/BRRD texts.</p>
Main outputs	<ul style="list-style-type: none"> • Maintenance of standardised templates on AT1 instruments. • Analysis of interactions with loss absorbency requirements. • Assessment of post-CRR instruments and review of pre-CRR instruments. • Report for the monitoring of the AT1 issuances. <p style="text-align: right;">Ongoing</p>

- Report for the monitoring of the CET1 list. Q2

Activity 2: Liquidity risk and interest rate risk in the banking book

Description	<p>In the area of liquidity (encompassing asset encumbrance-related matters as well), the EBA keeps the TS on reporting up to date following changes to the Level 1 texts in particular. In terms of implementation, the EBA is scrutinising the ways in which institutions and CAs have implemented CRR and TS provisions, in particular in terms of notifications and use of options and national discretions. Finally, the EBA may contribute to the final calibration of some aspects of the NSFR rules.</p> <p>In the area of the IRRBB, the main objective will be to elaborate the Level 2 measures which should be mandated to the EBA in the context of the integration in the EU rules of the Basel standards in the 'CRDV package'⁵.</p>	
Main outputs	<ul style="list-style-type: none"> • Delivering regulatory products updating liquidity requirements. • Monitoring national practices on liquidity and national options and discretion. • Monitoring of notifications related to liquidity and follow-up actions. • Update of the list of credit institutions waived from the 75% inflow cap under Article 33(5) of the LCR Delegated Act. 	Ongoing
Main outputs	• Preliminary work to develop ITS on reporting for NSFR.	Q1
Main outputs	• Preliminary work for possible reports coming from the 'CRDV package', both for liquidity and IRRBB ⁶ .	Q2
Main outputs	• Preliminary work for possible RTS/GL coming from the 'CRDV package' both for liquidity and IRRBB.	Q2
Main outputs	• Preliminary work for possible reports coming from the LCR amending act.	Q1
Main outputs	• Probable review of the disclosure requirements for the LCR.	Q2

Activity 3: Leverage ratio

Description	<p>The leverage ratio allows CAs to assess the risk of excessive leverage in their respective institutions. The EBA is working on regular updates of TS on reporting and disclosure of the leverage ratio.</p>	
Main outputs	<ul style="list-style-type: none"> • Monitoring and promoting consistent application of the leverage ratio. • Delivering regulatory products that update leverage ratio requirements where necessary. 	Ongoing

Activity 4: Loss absorbency

Description	<p>MREL is a requirement for a bank to hold a sufficient amount of own funds and debt instruments of a certain quality, in order to absorb losses and recapitalise its critical functions in case of failure. This requirement is to be set for each bank by the relevant resolution authorities in line with both the BRRD and the regulatory standards developed by the EBA.</p> <p>Total loss-absorbing capacity is a regulatory standard introduced by the FSB in November 2015. It is applicable to G-SIBs and pursues the same objectives as MREL. In the context of the policy work on MREL, the EBA will perform a number of tasks.</p>	
Main outputs	• Monitoring of MREL eligible liabilities [tbc].	Ongoing

⁵ [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI\(2017\)599385](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2017)599385)

⁶ All timelines for preliminary work linked to CRR2/CRDV/BRRD2 are subject to the finalisation of the Level 1 text and EBA mandates.

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| • Preparatory work for the 2020 MREL report under 'BRRD2' ⁷ . | |
| • ITS on MREL disclosure — consultation (Draft CRR/BRRD2). | Q3 |
| • ITS on MREL reporting — consultation (Draft CRR/BRRD2). | Q3 |

Activity 5: Accounting and audit

Description	The EBA supports high-quality accounting and auditing standards. The EBA is keen to facilitate effective dialogue between (i) the CAs supervising credit institutions and (ii) the statutory auditors and the audit firms carrying out the statutory audits of those institutions.	
Main outputs	<ul style="list-style-type: none"> • Monitoring and promoting consistent application on IFRS 9, and working on interaction with prudential requirements. • Monitoring the use of transitional provisions. • Understanding of the modelling aspects of IFRS 9, as implemented by EU institutions and their related impact on capital, and possible development of benchmarks through a hypothetical portfolio exercise. • Monitoring of the ongoing quantitative impact of the application of IFRS 9 through selected indicators. • Monitoring of accounting standards and comment letters to the IASB where needed. • Follow-up on the implementation of the GL for communication between supervisors and auditors in the context of IFRS 9 in particular; follow-up on the implementation of the GL on Expected Credit Losses. • Delivering regulatory products and technical advice to the Commission on the topics requested. 	Ongoing
	• Finalisation of the RTS on methods of consolidation (Article 18 of the CRR).	Q1/Q2
	• Finalisation of the GL on activities that are a direct extension of banking and ancillary to banking (Article 89(4) of the CRR).	Q4
	• Report on the qualitative implementation of IFRS 9 by EU institutions with possible recommendations/messages.	Q1/Q2

Activity 6: Large exposures

Description	In the context of the transposition into EU rules of the revised Basel standards on large exposures, the EBA will probably be tasked with several Level 2 mandates.	
Main outputs	<ul style="list-style-type: none"> • Further monitoring of the use of options and national discretions by CAs or Member States. • Possible updates of the existing RTS/GL following changes in Level 1 texts. • Preliminary work for RTS/GL under the CRR2/CRDV package. 	Ongoing Q2 Q2

Activity 7: Credit risk

Description	The EBA's work in relation to credit risk focuses on the development of TS, GL and reports regarding the calculation of capital requirements under the Standardised Approach and the IRB Approach for credit risk and dilution risk in respect of all the business activities of an institution, excluding the trading book business, under CRDIV/CRR.	
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⁷ <https://ec.europa.eu/info/node/7782/>

Main outputs	<ul style="list-style-type: none"> • Maintenance of credit-related lists, including identification of eligibility of PSEs for the credit risk framework. • Monitoring and promoting consistent application on credit risk and credit risk modelling, including the implementation of the monitoring report. • Q&A support on credit risk. 	Ongoing
	<ul style="list-style-type: none"> • Monitoring and update of ECAI mappings. 	Q3
	<ul style="list-style-type: none"> • Preparation of 2020 benchmarking portfolios — update of ITS. • 2019 benchmarking report on IRB models. 	Q4
	<ul style="list-style-type: none"> • GL on credit risk mitigation. 	Q3
	<ul style="list-style-type: none"> • Supporting the CfA for the EU Basel III implementation and monitoring the impact of the Basel III work on credit risk/credit risk modelling (SA and IRB) and output floor, and coordinating its EU legislative implementation. 	Q2

Activity 8: Market risk

Description	The EBA's work in relation to market risk focuses on the development of TS, GL and reports regarding the calculation of capital requirements for market risk, CVA and counterparty credit risk. Market risk can be defined as the risk of losses in on- and off-balance-sheet positions, arising from adverse movements in market prices. From a regulatory perspective, market risk stems from all the positions included in banks' trading books, as well as from commodity and foreign exchange risk positions in the whole balance sheet.	
Main outputs	<ul style="list-style-type: none"> • Preparation of EU counterparty credit risk implementation in the EU, including development of FRTB/CRR2 deliverables (timeline subject to CRR2/CRD finalisations). • Preparation of EU counterparty credit risk implementation in the EU, including development of SA-CCR/CRR2 deliverables (timeline subject to CRR2/CRD finalisations). • Regular updates to the list of diversified stock indices, incorporating any additional relevant indices and applying the quantitative methodology outlined in the ITS. • Monitoring and promoting consistent application on market risk. • Preparation of EMIR deliverables, in particular model approval of internal margin models (timeline subject to EMIR finalisation). • Q&A support on market risk, market infrastructure and counterparty credit risk. 	Ongoing
	<ul style="list-style-type: none"> • 2019 benchmarking report on market risk models. • Preparation of 2020 benchmarking portfolios — update of ITS. 	Q4
	<ul style="list-style-type: none"> • Annual update to the list of closely correlated currencies, incorporating any additional relevant currencies and applying the quantitative methodology outlined in the ITS. 	Q2/Q3
	<ul style="list-style-type: none"> • Supporting the CfA for EU Basel III implementation and monitoring the impact of the Basel III work on market risk, CVA and securities financing transactions, and coordinating its EU legislative implementation. 	Q2

Activity 9: Operational risk and investment firms

Description	The EBA's work in relation to operational risk focuses on the development of TS, GL and reports regarding the calculation of capital requirements for operational risk. In addition, the EBA is following the development of a new regulatory regime for investment firms, the IFR/IFD proposal published in 2017 by the Commission.	
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Main outputs	<ul style="list-style-type: none"> • Preparation for the implementation of the new prudential regime for investment firms in the EU, including development of IFR/IFD deliverables (timeline subject to IFR/IFD finalisations). • Monitoring and promoting consistent application on operational risk and investment firms. • Q&A support on operational risk and investment firms. 	Ongoing
	<ul style="list-style-type: none"> • Supporting the CfA for EU Basel III implementation and monitoring the impact of the Basel III work on operational risk and coordinating its EU legislative implementation. 	Q2

Activity 10: Supervisory review

Description	The EBA will focus on further policy development in line with the published Pillar 2 Roadmap and the CRDV/CRR2 package, and in relation to emerging risks, or areas where an international practice has been developed. This will incorporate additional GL, recommendations and chapters of the single supervisory handbook.	
Main outputs	<ul style="list-style-type: none"> • Supervisory risk taxonomy. • Ongoing work on single supervisory handbook. • Delivering regulatory products and technical advice to the Commission on the topics requested and in relation to the CRDV/CRR2 package. • Bilateral engagements with authorities to assess possible implementation challenges in relation to the EBA GL on how to introduce proportionality in the Pillar 2 process. 	Ongoing
	<ul style="list-style-type: none"> • Annual report on supervisory colleges. 	tbc
	<ul style="list-style-type: none"> • Amendment of and/or additions to the EBA GL on SREP (capital guidance, IRRBB assessment and implementation findings). 	tbc

Activity 11: Internal governance and remuneration

Description	Directive 2013/36/EU requires that institutions have robust governance arrangements, including a clear organisational structure, well-defined lines of responsibility, effective risk management processes, control mechanisms and remuneration policies. The internal governance should be appropriate to the nature, scale and complexity of the institution. The EBA is also asked to monitor and benchmark diversity practices at EU level. In the area of remuneration, the EBA is required in this context to monitor the use of remuneration practices.	
Main outputs	<ul style="list-style-type: none"> • Monitoring and promoting consistent application on internal governance and remuneration. • Delivering regulatory products and technical advice to the Commission on the topics requested and in relation to the CRDV/CRR2 package. • Q&A support on internal governance and remuneration. 	Ongoing
	<ul style="list-style-type: none"> • Report on high earners (data collection for 2017). 	Q1
	<ul style="list-style-type: none"> • Possible report on higher approved ratio. 	Q1
	<ul style="list-style-type: none"> • GL on outsourcing. 	Q1
	<ul style="list-style-type: none"> • Report on benchmark diversity practices. 	Q1
	<ul style="list-style-type: none"> • Review report on the application of the RTS on identified staff. 	Q4

Activity 12: Recovery and resolution

Description	The BRRD mandated the EBA to develop a wide range of binding TS, GL and reports on key areas, with the aim of ensuring effective and consistent crisis management	
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procedures across the Union. In the context of crisis preparedness, the EBA will continue to monitor evolving practices in relation to recovery planning, triggers for early intervention and the determination of FOLTF.

Moreover, following the recent internal organisational changes, the EBA is perfectly placed to monitor and support recovery and resolution planning and preparedness in the EU. Therefore, the EBA's work under the BRRD will focus on improving synergies between recovery and resolution plans, increasing the quality of cooperation between supervisory and resolution authorities, identifying good practices, potential friction points and things to avoid.

Main outputs	<ul style="list-style-type: none"> • Benchmarking report on recovery and resolution plans, interaction and assessment. • Monitoring the application of simplified obligations in recovery and resolution planning. • Participation in FSB work to expand the framework for international cross-border resolution for banks and financial market infrastructures. 	Ongoing
	<ul style="list-style-type: none"> • A combination of tools in resolution planning, which includes: <ul style="list-style-type: none"> – the relationship between recovery and resolution plans; – the execution of bail-in; – resolvability assessment and identification of impediments; – public interest assessment; – critical economic functions and critical services; – funding in resolution; – management of information systems; – operational continuity arrangements. 	tbc

Activity 13: Reporting

Description	<p>To maintain a high-quality and efficient supervisory reporting framework, including a data point model and validation rules, the EBA will continue to provide regular updates to maintain the relevance of the reporting framework.</p> <p>In 2019, the EBA will undertake work to assess the proportionality of reporting requirements and the feasibility of further integration of the reporting frameworks and the common data dictionary, and to review all reporting requirements to ensure full alignment with underlying regulations (CRR2, BRRD2 changes). The EBA will also start preparatory work for the possible additional mandates from the CRR2.</p>	
Main outputs	<ul style="list-style-type: none"> • Maintenance of ITS on supervisory reporting (legal act, templates, instructions). • Maintenance of validation rules, the data point model and XBRL taxonomies. • Review of reporting requirements, stemming from the new CRR2, BRRD2 and integration of Pillar 3 requirements in the reporting framework. • Review of proportionality in the reporting framework. • Project to improve data modelling tools. • CRR2 report on proportionality (subject to a mandate in the CRR). • CRR2 feasibility study on integrated reporting (subject to a mandate in the CRR). 	Ongoing

Activity 14: Transparency

Description	The EBA will undertake work to improve comparability and standardisation of Pillar 3 disclosures by developing a draft ITS, as per the mandate set out in CRR2. The EBA will
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also undertake a review of Pillar 3 requirements, in order to fully align them with supervisory reporting requirements to reduce the implementation burden by credit institutions.

Main outputs	• Monitoring of Pillar 3 disclosures.	Ongoing
	• Draft ITS on Pillar 3 disclosures (subject to the CRR mandate).	Q4

Activity 15: Loans management and valuation

Description	The EBA will continue to contribute to the European Council's action plan for tackling NPLs in Europe, as requested in July 2017 ⁸ .	
	The Commission's proposal on the new directive concerning credit servicers, credit purchasers and the recovery of collateral, and amendments to the CRR set out some mandates for the EBA to develop ITS on NPL data and GL for valuation. The EBA will continue working on improving credit institutions' preparedness for valuation in the context of resolution and on operationalising the RTS on valuation by providing further guidance on valuation methodologies and management information systems.	
Main outputs	• Follow-up work from the Council's action plan for tackling NPLs in Europe.	Ongoing
	• Draft ITS on NPL data (subject to a mandate in the CRR).	
	• GL on valuation of secured exposures (subject to a mandate in the CRR).	Q2
	• GL on banks' loan origination, internal governance and monitoring.	Q1
Main outputs	• Draft TS on management information systems (RTS to specify criteria for the assessment of resolvability and ITS to specify minimum set of standard forms and templates for the provision of information for purposes of resolution planning and implementation).	Q4

Activity 16: Market access, authorisation and equivalence

Description	The EBA will assess regulatory and supervisory frameworks of third countries and their equivalence with the EU framework, provide an opinion to the Commission and monitor the ongoing equivalence of countries covered by the Commission's equivalence decisions. The EBA will enter into cooperation agreements with the CAs of third countries, covering prudential, conduct and crisis management cooperation, as well as considering the relevance of the third countries and interconnections between the banking systems. The EBA will also work on broader aspects of single market access and authorisations, including consistent treatment of third country branches and licensing approaches for innovative business models.	
Main outputs	• Cooperation agreements with third country authorities for supervision, resolution, conduct and AML/CFT (ongoing).	Ongoing
	• Follow-up monitoring of shadow banking.	
	• Analysis and policy proposal for consistent treatment of third country branches accessing the single market and entering third countries.	tbc
	• EBA opinion on the equivalence ⁹ of regulatory and supervisory frameworks of third countries.	tbc
Main outputs	• Reports on assessment of the equivalence of regulatory and supervisory frameworks and ongoing monitoring of equivalence decisions.	tbc
	• Recommendation on the equivalence of third country authorities' confidentiality requirements (supervisory and resolution).	tbc

⁸ <http://www.consilium.europa.eu/en/press/press-releases/2017/07/11-conclusions-non-performing-loans/>

⁹ The number of third country regimes that the EBA will be able to assess will be dependent on resources.

• Report (and possible opinion/GL) on licensing approaches for innovative business models.	tbc
• Review of TS on passport notification.	tbc
• Report/discussion paper on obstacles to cross-border mergers and acquisitions.	tbc

Activity 17: Banking markets, securitisation, covered bonds and sustainable finance

Description	<p>The new European framework for simple, transparent and standardised securitisations regulation (the 'STS Regulation'), which came into force in January 2018, sets out a large number of mandates for the EBA. The EBA's work on the STS Regulation will focus on TS, GL and reports from the new STS Regulation. There will also be follow-up work conducted related to the new directive for covered bonds. In addition, the EBA will contribute to the Commission's work on sustainable finance, particularly regarding the taxonomy for sustainable finance and the green bonds standards, as well as the specific mandate for EBA included in the action plan for sustainable finance.</p>	
Main outputs	<ul style="list-style-type: none"> Monitoring market development and promoting consistent application of frameworks on securitisation and covered bonds. Contribution to the Commission's action plan on sustainable finance (taxonomy and green bonds standards) and advising on feasibility of green and brown supporting/penalising factors in prudential framework. RTS on the conservative method for measuring the undrawn portion of cash facilities. RTS on the calculation of K IRB in accordance with the top-down approach and the use of proxy data. EBA Report on practices concerning the hierarchy of approaches for the calculation of risk weights. EBA Report on eligibility of synthetic securitisation as STS securitisation. GL on the determination of tranche maturity and WAL. ESRB Report on the financial stability of securitisation markets together with EBA. GL on computation of K IRB for dilution and credit risk. Report on undue short-term pressure from capital markets on corporations (in cooperation with ESMA and EIOPA). Proposal for incorporating environmental, social and governance factors in the EBA's regulatory products for governance, risk management, supervisory review, reporting and stress testing. RTS on disclosure related to sustainable finance (under JC). 	<p>Ongoing</p> <p>tbc</p> <p>Q1</p> <p>tbc</p> <p>Q4</p> <p>Q4</p> <p>tbc</p> <p>tbc</p> <p>Q1</p> <p>Q4</p> <p>tbc</p>

Activity 18: Innovation and FinTech

Description	<p>The EBA will continue to monitor financial innovation and identify areas where a regulatory and supervisory response might be needed. In line with the EBA's FinTech Roadmap, the EBA's work will focus on the following priority policy areas: (i) a regulatory perimeter for new financial activities and 'sandboxing' and 'innovation hub' schemes; (ii) impacts on the business models, risks and opportunities for financial institutions from FinTech; (iii) ITC risk management and cyber security; and (iv) regulatory obstacles for innovative technologies and business models, including consumer-, retail conduct- and AML/CFT-related.</p>
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The EBA will continue with its activities concerning the FinTech Knowledge Hub, in order to facilitate information and experience sharing, to raise awareness and to support the transfer of knowledge on FinTech.

Main outputs	<ul style="list-style-type: none"> • Thematic reports on the monitoring of financial innovation. • Thematic reports on business model changes, risk and opportunities from FinTech, innovative products and emerging trends. • Activities regarding the FinTech Knowledge Hub (workshops, round tables, seminars). • Delivering regulatory products and technical advice to the Commission on the topics requested, particularly those included in Commission's FinTech action plan. 	Ongoing
	<ul style="list-style-type: none"> • Report on emerging technology risks and related guidance for prudential supervisors (e.g. big data and data analytics, DLT and open banking) 	Q2, Q4
	<ul style="list-style-type: none"> • Reports/GL on innovation facilitators and the cross-border coordination of schemes. 	Q4
	<ul style="list-style-type: none"> • Report/opinion on cross-border obstacles with regard to innovation. 	Q2
	<ul style="list-style-type: none"> • GL on IT management and security for regulated entities. 	Q1
	<ul style="list-style-type: none"> • Report/opinion on legislative improvements for IT management and security. 	Q1
	<ul style="list-style-type: none"> • Development of a coherent cyber resilient testing framework including a chapter of the Supervisory Handbook. 	Q4
	<ul style="list-style-type: none"> • Report/opinion on regulatory technologies (RegTech). 	Q4
	<ul style="list-style-type: none"> • Follow-up report/opinion on the implementation of EBA Recommendation on outsourcing to cloud service providers. 	tbc

Activity 19: Consumer and depositor protection

Description	<p>The EBA seeks to foster a consistent level of consumer protection in all EU Member States, by identifying and addressing consumer detriment in the banking sector, and monitoring and assessing the retail conduct of financial institutions in its regulatory remit, with a view to contributing to the stability, integrity and effectiveness of the financial system.</p> <p>Furthermore, within the EU crisis management framework, the EBA contributes to enhanced depositor protection, in the event of a bank failure, by completing the Single Rulebook, facilitating cross-border cooperation between DGSS, acting as a hub for DGS data collection and analysis, monitoring the financing and resilience of DGSS, and contributing to the review of the existing DGS Directive.</p>	
Main outputs	<ul style="list-style-type: none"> • Holding supervisory convergence workshops on EBA-GL-2015-12; EBA-GL-2015-11; EBA-GL-2015-12; EBA-GL-2015-18; and EBA-GL-2016-06. • Assessing and developing answers to the questions the EBA receives, in relation to MCD and DGSD, through its Q&A tool. • Preparing the development of the second edition of the EBA Financial Education Report for 2020. • Fulfilling the mandate to monitor the market for structured deposits under the MiFIR and assess if any action is required. • Publishing information on the uses of DGS funds, including in bank failures, and data on covered deposits and financial means available to DGSS. • Assessing notifications received under DGSD. • Monitoring the liquidations with a DGS pay-out. • Supporting the components of the EBA FinTech Roadmap related to consumer protection. 	Ongoing

• Reviewing the RTS on professional indemnity insurance, as mandated under MCD (EBA-RTS-2014-08).	Q2
• JC Consumer Protection Day.	Q2
• EBA Consumer Trends Report 2019/20.	Q1
• Providing input to the Commission's implementation report on the DGSD.	Q1
• Report on calculation models, as mandated under Article 19(6) of DGSD.	Q3
• Second workshop on DGS stress tests.	Q1

Activity 20: Payment services

Description	The EBA contributes to efficient, secure and easy retail payments across the EU, by developing the mandates conferred on the EBA in PSD2 and by contributing to a common interpretation of the Directive.	
Main outputs	<ul style="list-style-type: none"> • Monitoring the consistent application and implementation of the RTS on strong customer authentication and common and secure communication under PSD2. • Monitoring the implementation of the RTS on strong customer authentication under PSD2. • Assessing the major incident reports received from CAs under EBA-GL-2017-10 and the necessary next steps to take. • Assessing and developing answers to the questions the EBA receives, in relation to PSD2, through its Q&A tool. • Developing consistent supervisory approaches to contribute to the consistent attainment of the PSD2 objectives across the EU. • Contributing to the payment-related components of the EBA FinTech Roadmap, with a focus on business models and authorisation. • Contributing payment expertise to EBA-wide regulatory products that are being developed. • Delivering regulatory products mandated in EU law and any potential technical advice to the Commission on the topics requested, including on cross-border payments in the EU 	Ongoing
	• Implementing the EBA Register under PSD2 of payment institutions, electronic money institutions and agents.	Q1
	• Reviewing the EBA-GL-2017-09, with a view to assess the case for a potential conversion into TS, as required under Article 5(6) of PSD2.	Q4
	• Reviewing the EBA GL on professional indemnity insurance (EBA-GL-2017-08), with a view to assess the appropriateness of the calculation method and resultant coverage amounts.	Q4

Activity 21: Anti-money laundering and combating the financing of terrorism

Description	The EBA is working on cross-sectoral issues in AML/CFT that fall within the remit of the JC of the three ESAs, such as the GL on risk factors. The EBA will also review the effectiveness of the approaches to the AML/CFT supervision of banks used by NCAs.	
Main outputs	<ul style="list-style-type: none"> • Contribution to AML/CFT initiatives agreed by the EU institutions and delivering any additional requests and mandates that may be conferred on the EBA. • Providing individual and thematic feedback to CAs and monitoring follow-up, including regulatory and supervisory guidance as needed. 	Ongoing

	<ul style="list-style-type: none"> Structuring relevant training including supervisory convergence workshops. AML-focused follow-up work, resulting from the EBA's roadmap on FinTech. Assessing and developing answers to the questions the EBA receives, in relation to 4/5AMLD, through its Q&A tool. 	
	<ul style="list-style-type: none"> GL on risk factors, as mandated under Articles 17 and 18(4) of the AMLD. 	Q2
	<ul style="list-style-type: none"> Carrying out on-site reviews of the approaches used by NAs for the supervision of AML/CFT requirements. 	Q3
	<ul style="list-style-type: none"> GL on improved supervisory cooperation in relation to EU financial institutions that operate on a cross-border basis. 	Q3

Activity 22: Risk analysis

Description	The EBA will continue the work of monitoring market trends and the main developments in the banking sector. The objective is to identify, in a forward-looking fashion, vulnerabilities and potential risks that may affect EU banks, and identify possible policy actions to address them.	
	<ul style="list-style-type: none"> Quarterly EU risk dashboards. Bi-annual Risk Assessment Questionnaires. Internal updates on liquidity and market developments for the Board of Supervisors. 	Ongoing
Main outputs	<ul style="list-style-type: none"> Annual risk assessment report of the European banking system. 	Q4
	<ul style="list-style-type: none"> JC spring risk report 	Q1
	<ul style="list-style-type: none"> JC autumn risk report 	Q3
	<ul style="list-style-type: none"> Funding plans report 	Q3
	<ul style="list-style-type: none"> Asset encumbrance report 	Q3

Activity 23: Stress testing

Description	<p>One of the primary supervisory tools to conduct the analysis of potential risks and vulnerabilities is the EU-wide stress test exercise. The EBA Regulation gives the Authority powers to initiate and coordinate the EU-wide stress tests, in cooperation with the ESRB. The aim of such tests is to assess the resilience of financial institutions to adverse market developments, as well as to contribute to the overall assessment of systemic risk in the EU financial system.</p> <p>The EBA's EU-wide stress tests are conducted in a bottom-up fashion, using consistent methodologies, scenarios and key assumptions developed in cooperation with the ESRB, the ECB and the Commission.</p>	
Main outputs	<ul style="list-style-type: none"> Preparation of the next EU-wide stress test (the EBA has not announced when the next stress test will take place), which includes the development of common methodology and templates in cooperation with CAs. 	Ongoing

Activity 24: Data analysis and infrastructure

Description	The EBA will expand its data infrastructure and analytical capabilities through a major project that started in 2017 and will be implemented throughout 2017-18. In 2019, the EBA's objective— based on close cooperation with the CAs and exploiting all potentials for synergies — is to have a comprehensive European centralised infrastructure of supervisory data on the basis of its experience of the existing data hub, with the aim of	
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governing, organising, managing and using information through common practices, methodologies, infrastructures and tools for the full sample of EU credit institutions.

The data will support the EBA's regulatory work focused on the quantitative analysis, with the objective of strengthening the Single Rulebook. It will also be used for the risk and vulnerabilities analyses of the banking sector, EU-wide transparency exercises, assessment of regulatory proposals, as part of EBA risk reports and advice to legislators on future regulation, and for the purpose of assessing the impact of EBA regulatory products.

Main outputs	<ul style="list-style-type: none"> • Providing support to all regulatory proposals through quantitative analysis of data. • Delivering regulatory products and technical advice to the Commission on the topics requested. • Delivering quantitative analysis and development of analytical tools to underpin the development of regulatory products. • Providing support for the EBA's data infrastructure. 	Ongoing
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Activity 25: Statistical tools

Description	<p>The EBA is expected to provide analytical tools for risk analysis, and to develop and maintain its risk dashboards and interactive tools, as well as a list of EBA risk indicators. The Authority will promote the use of reported data by providing tools and training for data users.</p> <p>This activity involves ensuring consistent application of reporting requirements through the application of validation rules and quality checks.</p> <p>The EBA is required to disseminate high-quality data, at the aggregate and bank-by-bank levels, to a wide range of stakeholders (investors, analysts, academics, the general public), as well as improving banks' own disclosures within and beyond Pillar 3.</p>	
Main outputs	<ul style="list-style-type: none"> • Interaction with CAs to ensure a smooth data flow and effective quality checking. • Training on data and analysis tools for internal data users. • Implementation of a full list of validation rules and additional quality checks for statistical analysis. • Development of interactive and visualisation tools for internal and external data dissemination. 	Ongoing
	<ul style="list-style-type: none"> • Risk dashboards and other tools for internal and external data users. • Transparency exercise. 	Quarterly Q4

Activity 26: Ad hoc data collections

Description	<p>The EBA is expected to provide support for ad hoc data collections, with the aim of leveraging as much as possible on supervisory data reported to the EBA, in order to reduce the burden for banks and CAs. In 2019, the EBA's objective is to provide support to the EU/EEA CAs through two BCBS monitoring exercises, which are to be run in both the first and in the second half of the year. Additional ad hoc exercises may also be envisaged for regulatory purposes.</p>	
Main outputs	<ul style="list-style-type: none"> • Management of the data workflow with templates to be pre-populated by the EBA whenever possible. • Interaction with CAs for ensuring a smooth data flow and effective quality checking. • Development of interactive and visualisation tools for internal and external data dissemination. • Statistical support for report drafting. 	Ongoing

Activity 27: Management of the notification process

Description	<p>EU legislation, such as the AMLR, BRRD, CRD, CRR, DGSD and other current or forthcoming pieces of regulation, contains a number of articles that require CAs and other entities to notify the EBA with general or specific information on an ad hoc or regular basis.</p> <p>The majority of notifications are submitted to the EBA through the eGate portal, which provides a secure and flexible platform for the collection and storage of certain pieces of information from the NCAs (credit institution register, notifications and sanctions) and other functional authorities. Traditional email communication plays a residual role. The EBA provides different functional mailboxes for different notifications. The address is communicated through the relevant committees, working groups and/or publications on the EBA website. The issuer should obtain the proper address. A simple email, with attachments if required, is sufficient and can be sent by any issuer.</p>
Main outputs	<ul style="list-style-type: none"> • Managing the notifications' mailbox and triaging emails, which may request clarifications and/or report of notifications'. • Assessment of new legislation, further clarification on existing notifications (e.g. legal content, etc.), requests regarding the EBA eGate (e.g. regarding templates, functionalities, users, etc.) and the EBA representation at the subgroup on supervisory disclosure and information (SG SDI), which benefits from close cooperation with the EBA Legal Unit, relevant policy experts and IT Unit. • Monitoring the workflows triggered by each notification. • Integrating the notifications into the EBA's data infrastructure. • Maintenance of the eGate platform. <p style="text-align: right;">Ongoing</p>

Activity 28: Economic analysis and impact assessment

Description	<p>Informed, proportionate and evidence-based policy making requires comprehensive IAs. Economic analysis and impact assessments support the development of the EBA's regulatory products and are necessary inputs for the EBA's advice to the Commission, as well as a key contribution to the debate on regulatory reforms.</p>	
Main outputs	<ul style="list-style-type: none"> • Impact assessment reports accompanying the EBA's regulatory proposals. • Response to the Commission CfA on Basel III. • Half-year CRD IV/CRR Basel III monitoring reports. • Annual report on the impact and phase-in of the LCR. • Update on MREL (tbc). • Policy research workshop. • LR report (tbc). 	<p>Ongoing</p> <p>Q2</p> <p>Q1&Q3</p> <p>Q4</p> <p>tbc</p> <p>Q4</p> <p>tbc</p>

Activity 29: Preparing for potential risks around the withdrawal of the UK from the EU

Description	<p>On 29 March 2017, the UK triggered Article 50 of the Treaty on European Union, beginning the 2-year process for its exit from the EU. As a body the objective of which is to 'protect the public interest by contributing to the short-, medium- and long-term stability and effectiveness of the financial system, for the Union economy, its citizens and businesses', it is incumbent on the EBA to be prepared to respond to these developments.</p>
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Depending on the progress and outcome of the negotiations between the UK and the rest of the EU, banks operating in the EU and the UK could be required to make significant changes to their business structures.

Main outputs	<ul style="list-style-type: none"> • Work on possible regulatory forbearance risk in authorisation and supervision standards to ensure harmonisation of the legal regime and convergence of supervisory approaches, particularly with respect to the treatment of branches. • Work on assessing the contingency planning of financial institutions for risks associated with the withdrawal of the UK from the EU, as well as analysing consumer issues, and communicating with industry and consumers on any actions that need to be taken to address these risks. • Work on risk analysis for all possible outcomes of the withdrawal of the UK from the EU to identify financial stability and other prudential or conduct risks and potential contingency plans. • Identification of the needs of the EU27 supervisory and resolution authorities around exchange of information and cooperation, including the development of cooperation arrangements with the UK as a third country, and leading discussions for the EU27 CAs on a potential MoU framework and the EU27 NRAs on a potential framework cooperation arrangement. 	Ongoing
	<ul style="list-style-type: none"> • Preparation for and coordination of any crisis management measures necessary in the context of the withdrawal of the UK from the EU on 29 March 2019. 	Q1

Activity 30: Policy coordination and communication

Description	<p>The EBA will continue to perform peer reviews of CAs; provide support to the Banking Stakeholder Group, the ESAs' JC and the ESAs' Board of Appeal; provide support to the main EBA governing bodies, the Board of Supervisors and the Management Board; provide support in the planning, prioritising, monitoring, execution and following up of deliverables stemming from the EBA's work programme; provide external coordination with EU institutions and external bodies, such as the BCBS and the IMF; and facilitate training to EU banking supervisors.</p> <p>The focus will be the development and implementation of the new communication strategy, maintenance of the interactive Single Rulebook and the Q&A tool, and enhancing the EBA's internal press monitoring and analysis tool.</p>	
Main outputs	<ul style="list-style-type: none"> • Supporting the EBA's participation in EU and international institutions/bodies. • Development of internal policies/processes to support the EBA's activities. • Support for the EBA's document management. • Implementation of the communication strategy. • Regular updates of the interactive Single Rulebook. 	Ongoing
	<ul style="list-style-type: none"> • Annual and multi-annual work programme. 	Q3
	<ul style="list-style-type: none"> • Peer review on the RTS on identified staff. 	Q4
	<ul style="list-style-type: none"> • Annual report. 	Q2

Activity 31: Q&As

Description	The EBA is committed to the maintenance and development of the Single Rulebook and the monitoring of its implementation, by providing support to stakeholders through Q&As.
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Main outputs	<ul style="list-style-type: none"> • Providing answers to stakeholders' questions on the implementation of the EU Single Rulebook in banking through the Q&A tool. 	Ongoing
	<ul style="list-style-type: none"> • Monitoring the implementation of published Q&As. 	
	<ul style="list-style-type: none"> • Adjusting the scope of the Q&A process and tools to new pieces of EU regulation. 	

Activity 32: Training for competent authorities

Description	Training is an important component in achieving a common supervisory and resolution culture and convergence in practice. The EBA will further extend its training programme for supervisors and for resolution and deposit guarantee authorities assisting in the implementation of important policy products, on key topics relevant to the regulatory landscape and emerging risks requiring supervisory attention.	
Main outputs	<ul style="list-style-type: none"> • Development of a comprehensive training programme for EU supervisors and resolution and deposit guarantee authorities to promote convergence of supervisory and resolution practices. 	Ongoing
	<ul style="list-style-type: none"> • Offering the EBA training events in partnership with other training providers. • Strengthening the EBA online training platform (EBA learning hub) by updating current modules and launching new ones. 	

Activity 33: Legal services

Description	The EBA will continue to provide legal analysis and support to the EBA's core functions on institutional, operational, and banking and financial law issues. This includes analysis and support on draft regulatory products (TS, GL, recommendations and opinions), carrying out investigations into potential breaches of Union law investigations and dispute resolution between CAs, representing the EBA before the Board of Appeal and the Court of Justice and ensuring that the EBA operates according to its founding regulation and within all other applicable EU and national laws. Particular areas of focus in 2019 will include supporting the EBA's smooth relocation to Paris, work on the implications of the UK leaving the EU, and the ESAs review and other ongoing legislative developments.	
Main outputs	<ul style="list-style-type: none"> • Legal advice to the EBA's staff and Boards across the EBA's core functions. • Representation of the EBA before the Board of Appeal and the Court of Justice. 	Ongoing
	<ul style="list-style-type: none"> • Identification of potential breaches of EU law, with investigations and recommendations where appropriate. • Settlement of disputes between CAs through mediation and adoption of binding decisions. 	

Activity 34: Finance, procurement and accounting

Description	In the area of accounting and finance, the EBA will focus on ongoing improvements in budget monitoring and execution, with improved efficiency. This will be facilitated by the ongoing implementation of electronic workflows for finance, procurement and accounting processes. Budget planning and implementation will require focus on updating cost elements to take into account the relocation to Paris.	
	In the area of procurement, the focus will be close monitoring and timely delivery of all procurements listed in the 2019 Procurement Plan ¹⁰ , with priority being given to procurements required for relocation, and other procurements arising in the year.	

¹⁰ The 2019 procurement plan is shown in Annex II.

Main outputs	<ul style="list-style-type: none"> • Establishment and acquisition of 2020 budget. • Implementation of the 2019 procurement plan. • Creation of the 2020 procurement plan. • Production of 2018 annual accounts. • Establishment of 2021 budget. • Execution of 2019 annual budget. 	Ongoing
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Activity 35: Human resources

Description	<p>In the area of HR, the EBA will focus on the fulfilment of the establishment plan, further development of the technical and soft skills of its staff, further improvement of HR processes, introduction of internal policies and adoption of them pending HR implementing rules in accordance with Staff Regulations.</p> <p>The EBA will also ensure a smooth relocation of EBA staff to the new seat of the EBA.</p>	
Main outputs	<ul style="list-style-type: none"> • Fulfilment of the establishment plan. • Development of skills and expertise. • Adoption of further HR implementing rules. • Implementation of the specific arrangements supporting the staff's relocation. • Definition of relocation arrangements supporting the staff. • Effective administration of the relocation procedure (ongoing cooperation with the Paris region on relocation support for staff and French language training for staff and spouses/partners in London and Paris, timely amendments to contracts, timely management of renewals, review of entitlements and adoption of all the related decisions, negotiations with schools regarding direct agreements and possible reductions in school fees in the case of multiple enrolments). 	Ongoing

Activity 36: Information technology

Description	<p>The focus of this activity will be the implementation of the IT strategy to support the EBA's work programme. From a systems perspective, it will include further enhancement of data collection, reporting and the analysis platform in relation to CRD IV/CRR and the linked ITS, as well as enhancements of additional near-real-time systems for notifications and sanctions, as defined in the EBA founding regulations.</p>	
Main outputs	<ul style="list-style-type: none"> • Implementation of the EBA's IT strategy. • Implementation of data infrastructure and analytical project workstream 3. • Close support after the relocation of data centres due to Brexit. • Supporting the IT setup of and relocation to the Paris office. • Supporting the implementation of payments register for PSD2. 	<p>Ongoing</p> <p>Q4</p> <p>Q1</p> <p>Q1/Q2</p> <p>Q1</p>

Activity 37: Corporate support

Description	<p>The focus of this activity will be the further development and improvement of a series of internal measures to ensure that the EBA's activities are subject to control and to provide reasonable assurance to management of the achievement of the Authority's objectives.</p> <p>The EBA will continue to provide support services to the Authority's core functions, based on specialised knowledge and best practices, to serve internal stakeholders and business partners.</p>	
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The EBA will ensure a smooth relocation of offices and meeting facilities to the new building in Paris, as well as the move of staff and their families.

Main outputs	• Annual risk assessment exercise.	
	• Annual business continuity exercise.	
	• Procurement related to the relocation.	
	• Facilities management.	
	• Designing an effective change management relocation strategy and ensuring its implementation.	Ongoing
	• Ensuring that the use/disposal of EBA assets and inventory is compliant, safe, economic and environmentally friendly.	
	• Planning, monitoring and implementing the EBA's physical move and the relocation of staff members and their families.	

RESOURCE ALLOCATION BY ACTIVITY

The table below summarises resource allocation by activity and details the type of resource required: TA, CA or SNE. **The EBA needs a total of 145 TAs, 42 CAs and 16 SNEs** to undertake the 2019 activities, including the senior management and support staff.

	Activity	TA	CA	SNE	Total	Cost (EUR)
1	Capital	2	-	-	2	520 000
2	Liquidity risk and interest rate risk in the banking book	1	-	-	1	265 000
3	Leverage ratio	1	-	-	1	265 000
4	Loss absorbency	1	-	-	1	265 000
5	Accounting and audit	3	-	-	3	775 000
6	Large exposures	1	-	-	1	265 000
7	Credit risk	6	1	-	7	1 741 000
8	Market risk	6	-	-	6	1 569 000
9	Operational risk and investment firms	2	-	-	2	700 000
10	Supervisory review	5	-	1	6	1 591 000
11	Internal governance and remuneration	2	-	-	2	520 000
12	Recovery and resolution	4	-	1	5	1 187 000
13	Reporting	5	1	-	6	1 385 000
14	Transparency	1	-	-	1	255 000
15	Loans management and valuation	2	-	-	2	484 000
16	Market access, authorisation and equivalence	4	-	-	4	892 000
17	Banking markets, securitisation, covered bonds and sustainable finance	4	-	2	6	1 326 000
18	Innovation and FinTech	5	-	-	5	1 159 000
19	Consumer and depositor protection	3	1	3	7	1 423 000
20	Payment services	3	-	2	5	1 164 000
21	Anti-money laundering and combating the financing of terrorism	3	-	-	3	777 000
22	Risk analysis	4	0	1	6	1 777 000
23	Stress testing	4	1	1	5	1 249 000
24	Data analysis and infrastructure	1	3	-	4	2 525 000
25	Statistical tools	2	4	-	6	1 255 000
26	Ad hoc data collections	1	2	-	3	747 000
27	Management of notification process	0	1	-	1	259 000
28	Economic analysis and impact assessment	7	2	-	9	2 511 000
29	Preparing for potential risks around the withdrawal of the UK from the EU	1	-	-	1	278 000
30	Policy coordination and communication	2	5	1	8	1 719 000
31	Q&As	5	-	1	6	1 454 000

32	Training for competent authorities	-	3	-	3	1 064 000
33	Legal services	9	1	3	13	3 025 000
34	Finance, procurement and accounting	8	3	-	11	2 645 000
35	Human resources	3	2	-	5	1 063 000
36	Information technology	12	3	-	15	3 580 000
37	Corporate support	3	2	-	5	1 031 000
	Management and support	22	7	-	29	-
	Total for annual Work Programme	145	42	16	203	44 710 000
	ESA review resources and costs included in 2019 SPD	12	9	4	25	2 702 000
	Total per 2019 SPD	157	51	20	228	47 412 000

ANNEX I: KEY PERFORMANCE INDICATORS

The table below summarises the key performance indicators that will be used for 2019.

Indicator	Short description	Target in 2019 ¹¹	Type
Number of technical standards, guidelines delivered and recommendations published	Number of technical standards, guidelines delivered and recommendations published	21	Output
Number of reports, opinions delivered and warnings issued	Number of reports, opinions delivered and warnings issued. For warnings, a target cannot be set	24	Output
Percentage of the Work Programme mandated tasks delivered on time	Timeliness of the mandated technical standards, guidelines and opinions delivered	80%	Output
Composite indicator of supervisory and resolution convergence	The indicator will be computed as the weighted average of the outcome of direct thematic assessments, peer reviews (e.g. heat map) and successful mediation cases — weights to be calibrated	Above 70%	Impact
Percentage of completed yearly assessments of colleges	The EBA provides regular feedback to the consolidating supervisors on the functioning of colleges. This indicator measures the completeness and the level of responsiveness of colleges in regard to the yearly assessment process	100%	Outcome/results
Feedback on training from seminar participants	Measures the satisfaction of the participants in regard to the quality of the trainings and the seminars organised by the EBA	'Very good' and 'good' rates exceed 85%	Outcome/results
Data processing	Timely delivery of 'new' risk indicators to the ESRB – timely means first submission to ESRB 10 days after the remittance date for CAs (up to 3 days' delay on the submission = 'good', between 3 and 10 days' delay = 'medium', and more than 10 days' delay = 'bad')	Up to 3 days' delay on the submission	Outcome/results
Assessment of risks	Number of risk reports, dashboards and thematic studies	9	Output
Transparency and data dissemination	Bank-by-bank disclosure through ad hoc transparency exercises and regular publications	Annual publication of transparency data on the EU banking sector	Output
Budget execution	Measures the level of commitments: a) execution on commitments for the current year's budget b) execution on commitments carried forward from the previous year's budget	Above 95%	Input
Number of critical and important audit recommendations received	Shows the number of critical and very important recommendations received from external auditors	Target by the end of the year below 3	Output
Establishment plan achieved (%)	Measures the fulfilment of the establishment plan	100%	Outcome/results
Achievements of targets stated in the service level agreements (SLAs) of the EBA applications	Measures the level of the service level agreement targets achieved	98%	Output
Number of visits to the EBA Website	Volume of individual visits to the EBA website (i.e. traffic on the EBA website following major data releases, mandated deliverables, etc.)	#	Impact

¹¹ Final figures to be provided at the end of 2018.

ANNEX II: PROCUREMENT PLAN 2019

Procurement procedures to be launched by the EBA in the 2019 calendar year, with estimated value > EUR 15 000.

Unit	Title of procedure	Comment	Service/supply	Estimated value (EUR)	Contract type	Procedure	Planned contract start date
Corporate support	Coffee machines and maintenance	If not moving existing machines	Service	30 000	Framework	Negotiated – low value	1 April 2019
Corporate support	Post and couriers		Service	20 000	Framework	Negotiated – low value	1 January 2019
Business	Financial data (ex Moody's)	If not available through ECFIN	Service	250 000	Framework	Restricted	25 July 2018
CPC	Data subscription for structured deposits		Service	TBD	Framework	TBD	1 September 2019
CPC	Consumer trend data		Service	TBD	Framework	TBD	1 September 2019

The low number of procedures is because of how many must launch in 2018 to be available when the EBA starts operating in Paris.



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