

I. UPCOMING EBA PUBLICATIONS (JANUARY–MARCH 2018)

Please note that all documents listed in the table below are subject to approval by the [EBA's Board of Supervisors \(BoS\)](#). Therefore, the publication date is indicative and will be adjusted accordingly, if necessary.

| TOPIC | DELIVERABLE | EXPECTED DATE OF PUBLICATION |
|--|--|------------------------------|
| 3 rd country equivalence | Annual assessment on functioning of colleges 2017 | February 2018 |
| Consumer Protection & Financial Innovation | Joint Opinion on debt retail holders | February 2018 |
| | ESAs update on warnings to consumers on virtual currencies | February 2018 |
| | Report on Big Data and consumer information on its potential benefits and risks | February 2018 |
| | The EBA's FinTech Roadmap: Conclusions from the consultation on the EBA's approach to financial technology (FinTech) | March 2018 |
| ECAIs | RTS on method for calculating nominal amount for undrawn part of a liquidity facility | February 2018 |
| IRB | Report on review of CRM framework | February 2018 |
| Market risk | RTS on economic downturn conditions for LGD | February 2018 |
| Payments | EBA Financial education report 2017 | February 2018 |
| | Guidelines on fraud reporting requirements | February 2018 |
| Risk Analysis | Report on banks' status of Basel III implementation 2018 | February 2018 |
| | JC Spring Risk Report update 2018 | January 2018 |
| | Guidelines on NPL management | February 2018 |
| Securitisation | Guidelines on NPL management | February 2018 |
| | Guidelines on the harmonised interpretation and application of STS criteria | February 2018 |
| | Consultation Paper on amendments of the EMIR clearing obligation under the Securitisation Regulation on SSPE Criteria for Mitigation of Counterparty Credit Risk | February 2018 |
| | RTS on calculation of K IRB in accordance with top-down approach and use of proxy data | February 2018 |
| | Guidelines on fraud reporting requirements | February 2018 |



II. IN FOCUS: THE EBA'S MANDATES UNDER THE REVISED PAYMENT SERVICES DIRECTIVE (PSD2)

What is PSD2?

The Second Payment Services Directive (PSD2) is a fundamental piece of payments-related legislation in Europe, which entered into force in January 2016 following a review of the original Payment Services Directive (PSD1). The Directive, which came into effect on 13 January 2018, is expected to transform retail payment services. The Directive will enhance competition and facilitate innovation in payment services, by opening access to the payment accounts that consumers hold with banks. In support of the objectives of the revised Directive, the EBA has been mandated to develop 12 important, and at times hotly contested, Technical Standards and Guidelines.

What are the objectives of PSD2?



What are the key features of PSD2 and what are the benefits for consumers and the industry?

Just over two weeks ago, the PSD2 went 'live' and two new types of payment services have been made available to consumers: 'account information services' and 'payment initiation services'. These new services allow firms other than the customer's bank to access the payment accounts held with banks, provided the customer has given her consent.

In anticipation of these legislative changes, new service offerings and business models have been developed by firms eager to capitalise on the opportunities. Consumers, in turn, should be able to choose from a greater variety of means to pay for goods and services and from the ability to obtain comprehensive and conveniently accessible information about the status of their accounts, even if held across different banks.

What are the EBA's mandates under PSD2?

Progress of the EBA's mandate under PSD2

| Deliverables | Milestones reached | Milestone 1: | Milestone 2: | Milestone 3: | Milestone 4: |
|---|--------------------|----------------------|---------------------------------------|--|--|
| | | EBA has started work | EBA has published CP with draft GL/TS | EBA has published Final draft TS or Final GL | EBA has published GL Compliance table or Commission has published TS in OJ |
| 1 GL on security of internet payments under PSD1 | | ✓ | ✓ | ✓ | ✓ |
| 2 RTS on scheme separation under IFR | | ✓ | ✓ | ✓ | |
| 3 RTS on Passporting Notifications under PSD2 | | ✓ | ✓ | ✓ | ✓ |
| 4 GL on Professional Indemnity Insurance under PSD2 | | ✓ | ✓ | ✓ | ✓ |
| 5 GL on Authorisation of payment institutions under PSD2 | | ✓ | ✓ | ✓ | ✓ |
| 6 GL on Incident Reporting under PSD2 | | ✓ | ✓ | ✓ | |
| 7 GL on Complaints Procedures by CAs under PSD2 | | ✓ | ✓ | ✓ | |
| 8 RTS on Strong Authentication & Secure Comms. under PSD2 | | ✓ | ✓ | ✓ | |
| 9 GL on Operational & Security Measures under PSD2 | | ✓ | ✓ | ✓ | |
| 10 RTS on Central Contact Points under PSD2 | | ✓ | ✓ | ✓ | |
| 11 RTS & ITS on EBA Register under PSD2 | | ✓ | ✓ | ✓ | |
| 12 GL on fraud reporting under PSD2 | | ✓ | ✓ | 2018Q1 | |
| 13 RTS on home-host coordination under PSD2 | | ✓ | ✓ | 2018Q1 | |

In support of the Directive, the PSD2 has mandated the EBA to develop six Technical Standards and six Guidelines, addressing a wide range of issues and topics. These include the security of payments, the access requirements for payment accounts, professional indemnity insurance requirements for the new providers, the authorisation and passporting of payment institutions, and the supervision of payment institutions operating across borders in the EU. The mandates also covers the reporting of security incidents and payment fraud to national and European authorities, the assessment of complaints, and the creation of an EBA register listing all payment institutions operating in the EU.

The EBA spent the last two years developing these requirements and has done so jointly with the national authorities in the Member States and also, for the security-related mandates, with the European Central Bank (ECB). By the application date of the PSD2, the EBA had finalised 10 of its 12 mandates, including the requirements applicable to new players wishing to enter the market, such as the EBA Guidelines on Authorisations and the EBA Guidelines on professional indemnity insurance. The remaining two are due to be completed in the first quarter of 2018. The foundations are, therefore, set for a new era of payment services in the EU.

However, the development of the PSD2 mandates also brought about formidable challenges for the EBA and the national authorities, because the revised Directive aims at not only facilitating competition and innovation but also at the strengthening the security of payments, protecting consumers, promoting customer convenience, and creating a single EU market for payment services. Finally, while attaining these objectives, the EBA also had to retain neutrality between different business models and technologies.

Many of these objectives are mutually competing and pulled the EBA into opposite directions during the development of the requirements, in respect of the level of detail that should be written into the Standards and Guidelines, and the degree of flexibility that firms should be given to comply with them.

The EBA, therefore, had to make difficult trade-offs between competing demands, and consulted on them extensively with the industry and other external stakeholders, through discussion papers, consultation papers and public hearings. Having assessed the arguments across the thousands of pages of responses received, the EBA decided to re-calibrate some of the trade-offs it had originally proposed and made dozens of changes before it published the final requirements.

These included some of the key requirements for market challengers to be able, from 13 January 2018, to obtain authorisation, enter the payments market, and passport their services across borders into other Member States. Such was the case for the EBA Guidelines on authorisation and registration (EBA/GL/2017/09); the Guidelines for the calculation of professional indemnity insurance (EBA/GL/2017/08), and the Technical Standards on passporting (EBA/RTS/2016/08).

The EBA is confident to have established a regulatory framework that allows all market participants to interact with one another with confidence and is looking forward to payment services to evolve and innovate in the months and years ahead.





VIII. KEY EBA PUBLICATIONS (OCTOBER–DECEMBER 2017)

| EBA CONSULTATIONS | DESCRIPTION |
|---|--|
| EBA consults on amended Technical Standards on benchmarking of internal models | <p>The European Banking Authority (EBA) launched a consultation to amend the Commission Implementing Regulation on benchmarking of internal models to adjust the benchmarking portfolios and reporting requirements in view of the benchmarking exercise the EBA will carry out in 2019. The proposed changes reduce uncertainties in the credit risk portfolios, thus aiming at fostering a common and coherent interpretation and implementation of the reporting requirements across EU institutions. The consultation will run until 31 January 2018.</p> <p><i>Publication date: 18/12/2017</i></p> |
| EBA consults on draft Technical Standards on risk retention for securitisation transactions | <p>The European Banking Authority (EBA) launched a public consultation on its draft Regulatory Technical Standards (RTS) specifying the requirements for originators, sponsors and original lenders related to risk retention as laid down in the new EU securitisation framework (STS Regulation). The RTS aim to provide clarity on the requirements relating to risk retention, thus reducing the risk of moral hazard and aligning interests. The consultation runs until 15 March 2018.</p> <p><i>Publication date: 15/12/2017</i></p> |
| EBA consults on Technical Standard on the homogeneity of underlying exposures in securitisation | <p>The European Banking Authority (EBA) launched today a public consultation on draft Regulatory Technical Standards (RTS) specifying a set of criteria for the underlying exposures in securitisation to be deemed homogeneous, as part of the requirements under the new EU securitisation framework. The homogeneity requirement aims to facilitate the assessment of underlying risks by investors and to enable them to perform robust due diligence. Its application is, therefore, one of prerequisites for a more risk sensitive regulatory treatment of the securitisation. The RTS are applicable to both asset-backed commercial paper (ABCP) and non-ABCP securitisations. The consultation runs until 15 March 2018.</p> <p><i>Publication date: 15/12/2017</i></p> |
| EBA consults on Technical Standards specifying the methods of prudential consolidation | <p>The European Banking Authority (EBA) launched a consultation on draft Regulatory Technical Standards (RTS) specifying the different methods of prudential consolidation, which can be applied when certain conditions and criteria are met. The aim of these draft RTS is to ensure that the appropriate method of prudential consolidation is applied for the calculation of the Capital Requirements Regulation (CRR) requirements on a consolidated basis. The consultation runs until 09 February 2018.</p> <p><i>Publication date: 09/11/2017</i></p> |

EBA PUBLIC CONSULTATIONS

- Comments to EBA consultations are submitted via the EBA website. All contributions received are published following the close of the consultation period, unless requested otherwise.
- In general, the EBA also holds a public hearing on its consultations. These hearings normally take place at the EBA premises, prior to the end of the consultation period.

EBA CONSULTATIONS

DESCRIPTION

EBA consults on Guidelines to strengthen the Pillar 2 framework

The European Banking Authority (EBA) in accordance with its Pillar 2 Roadmap, published in April 2017, launched a public consultation to review three guidelines aimed at further enhancing institutions' risk management and supervisory convergence in the supervisory review and examination process (SREP). The revisions focus on stress testing, particularly its use in setting Pillar 2 capital guidance (P2G), as well as interest rate risk in the banking book (IRRBB). The consultations on all three guidelines run until 31 January 2018.

Publication date: 31/10/2017

EBA consults on Technical Standard on requirements for home-host cooperation under PSD2

The European Banking Authority (EBA) launched a public consultation on draft regulatory technical standards (RTS) specifying the framework for cooperation and the exchange of information between competent authorities under the revised Payment Services Directive (PSD2). The RTS also clarify the type of information as well as the templates to be used by payment institutions when reporting to the competent authorities of the host Member States on the payment business activities carried out in their territories. The consultation runs until 5 January 2018.

Publication date: 27/10/2017

EBA consults to amend Technical Standard on reporting for resolution plans

The European Banking Authority (EBA) launched a consultation to amend the Implementing Technical Standards (ITS) on the information which institutions must provide to resolution authorities for the purpose of drawing up and implementing resolution plans. This review aims to update the framework taking into account the latest experience available in the areas of resolution planning and supervisory reporting. The consultation runs until 11 December 2017.

Publication date: 11/10/2017

EBA GUIDELINES

- EBA Guidelines are issued in order to establish consistent, efficient and effective supervisory practices and ensure uniform application of EU Law.
- Guidelines are formally issued only once they are published in all relevant EU official languages on the EBA website. Within two months of that publication, competent authorities across the EU must inform the EBA whether they comply or intend to comply with the Guidelines. If a competent authority does not comply or does not intend to comply, it must inform the EBA of this and state reasons for non-compliance, as prescribed by the 'comply or explain' principle. If specified in the Guidelines, financial institutions might also have to report whether or not they comply.
- Guidelines and information on compliance by competent authorities can be found [here](#) on the EBA website.

EBA GUIDELINES

DESCRIPTION

EBA publishes final Guidelines on security measures under PSD2

The European Banking Authority (EBA) published its final Guidelines on security measures for operational and security risks of payments services under the revised Payment Services Directive (PSD2). These Guidelines, which the EBA developed in close cooperation with the European Central Bank (ECB), are in support of the objective of PSD2 of contributing to an integrated payments market across the European Union, promoting equal conditions for competition, and mitigating the increased security risks arising from electronic payments. This, in turn, minimises disruption to users, payment service providers and payment systems.

Publication date: 12/12/2017

| EBA GUIDELINES | DESCRIPTION |
|--|--|
| EBA publishes final Guidelines on the estimation of risk parameters under the IRB Approach | <p><i>The European Banking Authority (EBA) published its final Guidelines on the estimation of risk parameters for non-defaulted exposures – namely of the probability of default (PD) and the loss given default (LGD), and on the treatment of defaulted exposures under the advanced IRB Approach, including estimation of parameters such as ELBE and LGD in-default. These Guidelines, which are part of the EBA’s regulatory review of the IRB approach, aim to restore market participants’ trust in internal models by reducing the unjustified variability in their outcomes, ensuring comparability of risk estimates while at the same time preserving risk sensitivity of capital requirements.</i></p> <p><i>Publication date: 20/11/2017</i></p> |
| EBA publishes final Guidelines on connected clients | <p>The European Banking Authority (EBA) published its final Guidelines on the treatment of connected clients as defined in the Capital Requirements Regulation (CRR), aiming at supporting institutions in identifying all possible connections among their clients, in particular when control relationships or economic dependency should lead to the grouping of clients because they constitute a single risk. The guidelines apply to all areas of the CRR where the concept of ‘group of connected client’ is used, including the EBA technical standards and the EBA guidelines that refer to that concept.</p> <p><i>Publication date: 14/11/2017</i></p> |
| EBA publishes final Guidelines on supervision of significant branches | <p><i>The European Banking Authority (EBA) publishes its final Guidelines on the supervision of significant branches. Prompted by the increasing demand to establish branches across the European Union, these Guidelines are designed to facilitate cooperation and coordination between the Competent Authorities involved in the prudential supervision of significant branches of EU institutions established in another Member State. In particular, these Guidelines will facilitate cooperation and coordination of supervision of the largest and systemically important branches, the so-called ‘significant-plus’ branches.</i></p> <p><i>Publication date: 01/11/2017</i></p> |
| EBA publishes final Guidelines on procedures for complaints of alleged infringements of PSD2 | <p><i>The European Banking Authority (EBA) published its final Guidelines on complaints procedures to be followed by competent authorities (CAs) to ensure and monitor effective compliance by payment service providers (PSPs) with the revised Payment Services Directive (PSD2). These Guidelines are part of the EBA’s work to support the core objectives of PSD2 of strengthening the integrated payments market across the European Union, ensuring a consistent, efficient and effective application of the legislative framework and promoting transparency.</i></p> <p><i>Publication date: 13/10/2017</i></p> |

EBA TECHNICAL STANDARDS

DESCRIPTION

EBA TECHNICAL STANDARDS

- The EBA is mandated to produce a number of Binding Technical Standards (BTS) stemming from EU legislative texts such as the "CRD IV package" and the BRRD. The EBA drafts technical standards and submits them to the European Commission for final endorsement.
- BTS are legal acts which specify particular aspects of an EU legislative text (Directive or Regulation) and aim at ensuring consistent harmonisation in specific areas. They contribute to the development of the Single Rulebook for banks in the EU.
- The European Parliament and the Council have the right to scrutinise certain types of technical standards known as regulatory technical standards (RTS). The draft technical standards are formally adopted by the European Commission, usually within three months, and published in the Official Journal of the European Union – unless they are considered disproportionate or incompatible with Union law.
- Following publication in the Official Journal, these standards become legally binding and apply directly in all Member States. This means that, on the date of their entry into force, they become part of the national law of the Member States and their implementation into national law is not only unnecessary but also prohibited.

ESAs publish final draft Technical Standards amending margin requirements for non-centrally cleared OTC derivatives

The European Supervisory Authorities (EBA, EIOPA, ESMA – ESAs) published their jointly developed draft Regulatory Technical Standards (RTS) amending the framework of the European Market Infrastructure Regulation (EMIR) with regard to physically settled foreign exchange (FX) forwards. These amendments aim at aligning the treatment of variation margin for physically-settled FX forwards with the supervisory guidance applicable in other key jurisdictions.

Publication date: 19/12/2017

EBA publishes final draft regulatory Technical Standards on simplified obligations

The European Banking Authority (EBA) published its final draft Regulatory Technical Standards (RTS) specifying the eligibility criteria to determine whether institutions could be subject to simplified obligations when drafting such plans. The RTS should help reduce some of the observed divergent practices by increasing harmonisation in simplified obligations eligibility assessment methodologies applied by national authorities.

Publication date: 19/12/2017

EBA publishes updated Technical Standards package for 2018 benchmarking exercise

The European Banking Authority (EBA) published an update to its Implementing Technical Standards (ITS) on benchmarking of internal approaches, which define the benchmarking portfolios for the 2018 benchmarking exercise

Publication date: 14/12/2017

EBA publishes final draft Technical Standards on the future EBA register under the PSD2

The European Banking Authority (EBA) published its final draft regulatory technical standards (RTS) and implementing technical standards (ITS) on the EBA electronic central register under the Payment Services Directive (PSD2). The RTS specify the procedures competent authorities (CAs) should follow when providing information to the EBA and those that apply to the EBA when processing and publishing that information. The ITS specify the information that will be made available on the EBA Register. The aim of the EBA Register is to provide transparency on the operation of payment and e-money institutions across the EU, enhance cooperation between competent authorities in the Member States and ensure a high level of consumer protection.

Publication date: 13/12/2017

EBA publishes final draft Technical Standards on the central contact points under PSD2

The European Banking Authority (EBA) published its final draft Regulatory Technical Standards (RTS) on Central Contact Points under the revised Payment Services Directive (PSD2). The RTS specify the criteria for determining when the appointment of a central contact point in a host Member State (MS) is appropriate and the functions that these contact points should fulfill. These RTS are in support of the objective of PSD2 of facilitating the supervision by competent authorities (CAs) of the networks of agents used by payment institutions (PIs) and electronic money institutions (EMIs) for providing cross-border payment services under the right of establishment.

Publication date: 11/12/2017

EBA TECHNICAL STANDARDS DESCRIPTION

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|---|--|
| EBA publishes Technical Standards on supervisory reporting | <p>The European Banking Authority (EBA) issued a revised list of validation rules in its Implementing Technical Standards (ITS) on supervisory reporting, highlighting those which have been deactivated either for incorrectness or for triggering IT problems. Competent Authorities throughout the EU are informed that data submitted in accordance with these ITS should not be formally validated against the set of deactivated rules.</p> <p><i>Publication date: 8/12/2017</i></p> |
| ESAs publish amended Technical Standards on the mapping of ECAIs | <p>The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) published two amended Implementing Technical Standards (ITS) on the mapping of credit assessments of External Credit Assessment Institutions (ECAIs) for credit risk. The amendments reflect the recognition of five new credit rating agencies (CRAs) and the deregistration of one CRA. The ITS are part of the EU Single Rulebook for banking and insurance aimed at creating a safe and sound regulatory framework consistently applicable across the European Union (EU).</p> <p><i>Publication date: 7/12/2017</i></p> |
| ESAs publish final draft Technical Standards on group-wide management of money laundering and terrorist financing risks | <p>The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) published its draft Regulatory Technical Standards (RTS) specifying how credit and financial institutions should manage money laundering and terrorist financing (ML/TF) risks at group level where they have branches or majority-owned subsidiaries based in third countries whose laws do not permit the application of group-wide policies and procedures on anti-money laundering and countering the financing of terrorism (AML/CFT). These RTS are part of the ESAs' wider work on fostering a common approach to AML/CFT and will contribute to creating a level playing field across the European Union's financial sector.</p> <p><i>Publication date: 6/12/2017</i></p> |
| EBA publishes corrective update of DPM and XBRL taxonomy 2.7 for remittance of supervisory reporting | <p>The European Banking Authority (EBA) published a corrective update (2.7.0.1) to the XBRL taxonomy that Competent Authorities shall use for the remittance of data under the EBA Implementing Technical Standards (ITS) on supervisory reporting. The revised taxonomy will be used for the first report of Financial Reporting (FinRep) requirements compiled under IFRS 9.</p> <p><i>Publication date: 15/11/2017</i></p> |

EBA OPINIONS DESCRIPTION

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|---|---|
| EBA publishes Opinion on the use of the 180 days past due criterion | <p>The European Banking Authority (EBA) issued its advice to the European Commission on the appropriateness of continuing to apply the 180 day past due (DPD) exemption for material exposures. Based on an analysis of data submitted by the institutions still using the 180 DPD criterion, the EBA recommends that this exemption be disallowed and all institutions should consequently rely on the 90 DPD regime for all exposures.</p> <p><i>Publication date: 22/12/2017</i></p> |
| EBA publishes Opinion on the transition from PSD1 to PSD2 | <p>The European Banking Authority (EBA) published an Opinion addressed to competent authorities on the transition from the existing Payment Services Directive (PSD1) to the revised Directive (PSD2), which will apply from 13 January 2018. In its Opinion, the EBA clarifies a number of issues identified by market participants and competent authorities, including with regard to the transitional period foreseen under PSD2.</p> <p><i>Publication date: 19/12/2017</i></p> |

EBA OPINIONS

- Through its opinions, the EBA provides its views on supervisory and regulatory matters to the European institutions and to national authorities. This includes 'technical advice' which the EBA provides to the Commission when it is preparing 'delegated acts' to supplement Level 1 texts. These delegated acts are very important as they provide additional detail on certain aspects of legislation, and the Commission takes into account the EBA's expert technical advice.

| EBA OPINIONS | DESCRIPTION |
|---|--|
| EBA publishes Opinion on measures to address macroprudential risk | The European Banking Authority (EBA) published an Opinion following the notification by the Central Bank of Cyprus (CBC) of its intention to apply stricter liquidity requirements in order to address an increase in macroprudential risk, based on Article 458 of the Capital Requirements Regulation (CRR). <i>Publication date: 13/12/2017</i> |
| EBA publishes Opinion on matters relating to other financial intermediaries and regulatory perimeter issues | The European Banking Authority (EBA) published an Opinion addressed to the European Parliament, Council and European Commission, on matters relating to the regulatory perimeter under the Capital Requirements Directive/Regulation (CRDIV/CRR). These include the use of Articles 2(5) and 9(2) CRDIV and the interpretation of the terms 'financial institution' and 'ancillary services undertaking' as defined in the CRR. The Opinion is based on the results of a detailed assessment across the EU of the prudential treatment of 'other financial intermediaries' (OFIs), i.e. those entities carrying out credit intermediation activities that are not credit institutions nor other specified types of financial entity. <i>Publication date: 09/11/2017</i> |
| EBA publishes Opinion on issues related to Brexit | The EBA published an Opinion on Brexit to ensure the consistent application of Union legislation to businesses seeking to establish or enhance their EU27 presence in order to retain access to the EU Single Market. The Opinion aims at providing greater certainty to firms and ultimately at ensuring a level playing field. In the Opinion, the EBA addresses a number of relevant policy topics relating to authorisations, the prudential regulation and supervision of investment firms, internal models, outsourcing, internal governance, risk transfers via back-to-back and intragroup operations, and resolution and deposit guarantee scheme issues. The EBA will monitor how the Opinion will be applied in practice by authorities and will continue its policy and risk analysis work in relation to the challenges posed by Brexit. <i>Publication date: 12/10/2017</i> |

EBA REPORTS

- The EBA publishes a wide range of reports based on its work in identifying and analysing trends in the financial sector.
- These reports identify potential risks and vulnerabilities stemming from the micro-prudential level, across borders and sectors, with the aim of ensuring the orderly functioning and integrity of financial markets and the stability of the financial system in the EU.
- These reports also highlight the trends that the EBA has observed with financial products and also provides early indications as to the areas in which the EBA may take action going forward.

Reports and other notable publications

| EBA PUBLICATION | DESCRIPTION |
|---|--|
| EBA publishes Report on simplified obligations and waivers under the BRRB | The European Banking Authority (EBA) published a Report on the application of simplified obligations and waivers in recovery and resolution planning. The Report shows that across the EU, significantly divergent practices apply. Differences have been identified both in the assessment of institutions' eligibility for simplified obligations, as well as in determining the reduced scope of the recovery and resolution planning requirements laid down in the Bank Recovery and Resolution Directive (BRRD). <i>Publication date: 19/12/2017</i> |
| EBA updates its quantitative analysis on MREL | The EBA published an updated quantitative analysis on the minimum requirement for own funds and eligible liabilities (MREL). Based on the same methodology and assumptions developed in the context of the MREL report published in December 2016, the EBA updated its estimates of capacity and funding needs of a representative sample of European banks to meet MREL under alternative scenarios. In this exercise, the EBA highlighted a modest improvement in the stack of MREL eligible instruments in 2016. <i>Publication date: 20/12/2017</i> |

| EBA PUBLICATION | DESCRIPTION |
|---|--|
| EBA publishes its full impact assessment of Basel reforms on EU banks | <p>Following up on the cumulative assessment published on 7 December 2017, the European Banking Authority (EBA) published its full assessment quantifying the impact of the reform package recently agreed by the Basel Committee on Banking Supervision (BCBS) on the European banking system.</p> <p><i>Publication date: 20/12/2017</i></p> |
| EBA publishes guidance for the use of cloud service providers by financial institutions | <p>The European Banking Authority (EBA) launched its final guidance for the use of cloud service providers by financial institutions. The EBA Recommendations clarify the EU-wide supervisory expectations if institutions intend to adopt cloud computing, so as to allow them to leverage the benefits of using cloud services, while ensuring that any related risks are adequately identified and managed.</p> <p><i>Publication date: 20/12/2017</i></p> |
| EBA publishes Discussion Paper on EU implementation of the revised market and counterparty credit risk frameworks | <p>The European Banking Authority (EBA) published a Discussion Paper on the implementation in the European Union (EU) of the revised market risk and counterparty credit risk frameworks, i.e. the Fundamental Review of the Trading Book (FRTB) and the Standardised Approach for Counterparty Credit Risk (SA-CCR). This paper discusses some of the most important technical and operational challenges to implement the FRTB and SA-CCR in the EU. The paper aims at providing some preliminary views on how these implementation issues could be addressed and, at the same time, seeks early feedback from the stakeholders on the proposals. The paper also puts forward a roadmap for the development of the regulatory deliverables on the FRTB and SA-CCR included in the CRR2 proposal. The consultation runs until 15 March 2018.</p> <p><i>Publication date: 18/12/2017</i></p> |
| EBA publishes Report on LCR | <p>The European Banking Authority (EBA) published its fourth impact assessment Report for the liquidity coverage ratio (LCR), which shows that EU banks have continued to improve their LCR since 2011. At the reporting date of 31 December 2016, EU banks' average LCR was significantly above the 100% minimum requirement, which will have to be fully implemented by 1 January 2018. In addition, a more in-depth analysis suggests that the LCR regulation, together with capital standards and stable funding, have helped banks increase their lending to real economy. The Report is based on liquidity data and wider bank balance sheet statistics from 157 EU banks across 16 Member States.</p> <p><i>Publication date: 18/12/2017</i></p> |
| EBA publishes its standardised data templates as a step to reduce NPLs | <p>The European Banking Authority (EBA) published data templates that will create the foundation for NPL transactions across the EU. The templates will provide a common EU data set for the screening, financial due diligence and valuation during NPL transactions. An extended use of the templates is expected to widen the investor base, lower entry barriers to potential investors, improve data quality and availability, support price discovery and facilitate the development of the NPL secondary market.</p> <p><i>Publication date: 14/12/2017</i></p> |
| EBA publishes cumulative impact assessment of the Basel reform package | <p>The European Banking Authority (EBA) welcomes the agreement reached on the finalisation of the Basel III framework by the Basel Committee on Banking Supervision (BCBS), which concludes the global post-crisis prudential reforms. 'Strong international standards are an essential common yardstick that will support a safe and sound cross-border banking on a global scale' Andrea Enria, Chairperson of the EBA, said in welcoming the Basel agreement. 'The EBA is committed to engaging with Competent Authorities and European co-legislators to ensure a successful implementation of the standards in the EU' Enria added. The EBA published today a summary of the results showing the impact of the agreed reforms on the EU banking sector.</p> <p><i>Publication date: 7/12/2017</i></p> |
| EBA publishes its risk assessment of the European banking system | <p>The European Banking Authority (EBA) published its tenth report on risks and vulnerabilities in the EU banking sector. The report is accompanied by the 2017 EU-wide transparency exercise, which provides key data in a comparable and accessible format for 132 banks across the EU. The data shows further resilience in the EU banking sector amid a benign macroeconomic and financial environment, with an additional strengthening of the capital position, an improvement of asset quality and a slight increase of profitability. However, further progress on NPLs is needed whilst the long-term sustainability of prevailing business models remains a challenge. The importance of robust data management and IT and operational resilience is also a priority.</p> <p><i>Publication date: 24/11/2017</i></p> |
| EBA publishes Report on convergence of supervisory practices | <p>The European Banking Authority (EBA) published its third annual Report on the convergence of supervisory practices across the EU. The Report reviews consistency in the application of the Supervisory Review and Evaluation Process (SREP) in order to promote comparable supervisory approaches and consistency in supervisory outcomes across the single market. This is necessary for a level playing field, effective supervision of cross border groups, and to identify supervisory best practices.</p> <p><i>Publication date: 21/11/2017</i></p> |

| EBA PUBLICATION | DESCRIPTION |
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| EBA publishes methodology for the 2018 EU-wide stress test | <p>The European Banking Authority (EBA) publishes its final methodology for the 2018 EU-wide stress test, following a discussion with industry in summer 2017. The methodology covers all relevant risk areas and, for the first time, incorporates IFRS 9 accounting standards. The stress test exercise will be formally launched in January 2018 and the results to be published by 2 November 2018.</p> <p><i>Publication date: 17/11/2017</i></p> |
| EBA publishes updated list of CET1 instruments | <p>The European Banking Authority (EBA) published its sixth updated list of capital instruments that Competent Authorities (CAs) across the European Union (EU) have classified as Common Equity Tier 1 (CET1). Since the publication of the previous update in May 2017, some new CET1 instruments have been assessed and evaluated as compliant with the Capital Requirements Regulation (CRR). The list will be maintained and updated on a regular basis.</p> <p><i>Publication date: 17/11/2017</i></p> |
| EBA publishes peer review on its Guidelines on O-SIIs | <p>The European Banking Authority (EBA) published a Report on the peer review carried out to evaluate the implementation of its Guidelines on the criteria for the assessment and identification of other systemically important institutions (O-SIIs) across the EU. Overall, the peer review concluded that the majority of the authorities are compliant with the EBA Guidelines, although some of its requirements have not been fully applied in all jurisdictions.</p> <p><i>Publication date: 15/11/2017</i></p> |
| EBA publishes its annual assessment of the consistency of internal model outcomes | <p>The European Banking Authority (EBA) published two reports on the consistency of risk weighted assets (RWAs) across all EU institutions authorised to use internal approaches for the calculation of capital requirements. The reports cover credit risk for large corporate, institutions, and sovereign portfolios (collectively referred to as 'low default portfolios' – LDP), as well as market risk. The results confirm previous findings, with the majority of risk-weights (RWs) variability explained by fundamentals. These benchmarking exercises, conducted by the EBA on an annual basis are a fundamental supervisory and convergence tool to address unwarranted inconsistencies and restoring trust in internal models.</p> <p><i>Publication date: 14/11/2017</i></p> |
| EBA publishes Report on other financial intermediaries and regulatory perimeter issues | <p>The European Banking Authority (EBA) published a Report on the consideration of the legislative proposals to amend the CRDIV/CRR.</p> <p><i>Publication date: 09/11/2017</i></p> |
| EBA publishes Recommendations on the coverage of entities in banking group recovery plans | <p>The European Banking Authority (EBA) published its final Recommendation on the coverage of entities in banking group recovery plans. This Recommendation, addressed to both Competent Authorities and institutions, aims at defining common criteria to identify entities that need to be covered in group recovery plans, as well as the extent of such coverage. These criteria will help institutions avoid a fragmented approach in providing information in recovery plans and gain a better understanding of the relevant supervisory expectations.</p> <p><i>Publication date: 01/11/2017</i></p> |
| EBA publishes updated list of public sector entities for the calculation of capital requirements | <p>The European Banking Authority (EBA) published an updated list of public sector entities (PSEs) that may be treated as regional governments, local authorities or central governments for the calculation of capital requirements, in accordance with the EU Capital Requirements Regulation (CRR).</p> <p><i>Publication date: 18/10/2017</i></p> |
| EBA publishes updated Risk Dashboard | <p>The European Banking Authority (EBA) published a periodical update of its Risk Dashboard summarising the main risks and vulnerabilities in the EU banking sector through a set of Risk Indicators in Q2 2017. The progress is positive, but risks remain heightened on asset quality and sustainable profitability.</p> <p><i>Publication date: 05/10/2017</i></p> |
| EBA publishes work programme for 2018 | <p>The European Banking Authority (EBA) published its detailed annual work programme for 2018, describing the specific activities and tasks of the Authority for the coming year, as well as a multiannual work programme, highlighting the key strategic areas of work from 2018 to 2021.</p> <p><i>Publication date: 05/10/2017</i></p> |