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Board of Supervisors

15 February 2023

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EBA Regular Use

Board of Supervisors 15 February 2023 – Minutes

Agenda item 1: Welcome, approval of the agenda and Declaration of conflict of interest

1. The Chairperson welcomed the Members of the Board of Supervisors (BoS). He reminded the Members of the conflict-of-interest policy requirements and asked them whether any of them considered themselves as being in a conflict. No Member declared a conflict of interest.

2. The Chairperson asked the BoS whether there were any comments on the draft agenda. There were no comments on the agenda.

3. Finally, the Chairperson reminded the BoS that the Minutes of the BoS conference call on 07 December 2022 were approved by the BoS in a written procedure.

Conclusion

4. The BoS approved the agenda of the meeting by consensus.

Agenda item 2: Update from the EBA Chairperson and the Executive Director

5. The Chairperson updated the Members on three items.

6. Firstly, the Chairperson informed on the latest Basel III legislative developments and said that the European Parliament (EP) voted its position on the Basel III package on 23 January 2023 after the Council had finalised its position already on 8 November 2022. There was no date yet for trilogues. The EP put emphasis in its negotiations on the inclusion of more extensive provisions on ESG requirements (e.g., disclosure requirements, ESG valuations, banks transitional plans to address ESG risks. From an EBA perspective, the alignment to Basel standards has been improved in some areas (e.g., UCC treatment) but other changes tilt the balance in the opposite direction (e.g., the prolongation of the disposal of defaulted

exposures). The Chairperson also noted that there were 22 new mandates in the EP's position. The EBA has been working on a roadmap on the prioritisation of mandates to ensure appropriate sequencing. The EBA Roadmap will first be put for discussion to the Management Board (MB) and at a later stage for the BoS.

7. Secondly, the Chair mentioned that EuReCA, the central EU AML/CFT database, was launched a year ago, on 31 January 2022. In its first year, 27 competent authorities (CAs) reported 327 serious deficiencies in 102 financial institutions. They also reported 177 corrective measures they imposed and received answers to 15 'reasoned requests'. He said that the EBA was using data from EuReCA systematically across all areas of the EBA's AML/CFT work, including in the forthcoming Opinion on ML/TF risk in the EU. However, there were still some gaps and a few Member States have not yet reported any data. In general, there were very few submissions from prudential authorities.

8. Thirdly, the Chairperson reminded the BoS of three recent calls for advice received by the EBA in the area of MiCA, DORA and investments firms.

9. The Executive Director updated on four items.

10. Firstly, the Executive Director informed that 2022 budget execution was of 99.6 % and the execution on carry forward from 2021 was of 98.3 %. The 2022 Establishment Plan was filled at 98% and almost 99% of all tasks from the 2022 Work programme were executed. He also mentioned that the first comprehensive coaching programme for staff and team leaders was successfully delivered and that the EBA was implementing the new Internal Mobility policy and HR strategy.

11. Secondly, the Executive Director updated on the latest FSC meeting during which he presented the EBA report on EU dependence on non-EU banks and on funding in foreign currencies. The FSC also discussed the topic of securitization and Basel treatment of crypto-assets as these might become topics discussed in the coming trialogues.

12. Thirdly, the Executive Director informed about the coming meeting between DG FISMA and EBA on the AML transition.

13. Finally, the Executive Director announced that the EBA was organising a high-level conference on gender equality in March (with Commissioner McGuinness speaking) and that all EU agencies have been invited to share their views and best practices on this topic.

14. The European Commission (EC) representative clarified that the EP was adopting its position on the banking package and that there were no EC's proposals on the securitization and crypto-assets.

Agenda item 3: Update on MiCA implementation

15. The Chairperson introduced the item by informing the Members that the final text on MiCA was expected to enter into force in late-Spring 2023. In preparation, EBA staff have developed an implementation plan with the objective of identifying the necessary preparatory activities, including IT capabilities and human resources, required to ensure that the EBA would deliver the policy mandates and was operationally prepared to conduct its new supervision and other tasks on time.

16. The EBA Director of Innovation, Conduct and Consumers Department (ICC) reminded the BoS that MiCA sets out a wide range of mandates and tasks for EBA and ESMA. For the EBA these relate to issuers of asset-referenced tokens (ARTs) and e-money tokens (EMTs) and would entail development of 20 policy mandates (out of which three are joint with one or more of the other ESAs), supervision of significant ARTs/EMTs; and other tasks (e.g., issuing Opinions to NCAs on the classification of crypto assets). ESMA's mandates relate primarily to the issuance of other types of crypto-assets and crypto-asset service providers (CASPs) and would encompass the development of a large number of policy mandates and other tasks. EIOPA was mandated one joint policy mandate under MiCA plus (limited) other tasks. She noted that the EBA has also received from the EC on 03 January 2023 a Call for Advice relating to two EC delegated acts under MiCA on (i) supervisory fees, and (ii) significance criteria. The EBA is required to submit its response by 30 September 2023. The Director of ICC concluded by explaining that in order to ensure operational preparedness, EBA staff prepared an implementation plan to programme activities, IT capabilities and human resources. She also referred to a number of points raised by the Management Board during the discussion on the MiCA update, mentioning a need to ensure consistency across policy development with policy work beginning as early as possible, the need for enhanced supervisory expertise and set up, and overall capacity building, both at EBA and CA level.

17. The EBA Head of Digital Finance Unit (DF) summarised the main aspects of the implementation plan. With regard to internal and operational aspects, she said that the plan covers also aspects such as IT development, organisation of work, funding and allocation of resources for MICA preparations. For the policy development of the mandates assigned to the EBA, the EBA is planning to use existing Task Forces, Sub-Groups and Standing Committees to leverage expertise on thematic areas relevant to the mandates. In the majority of cases, the EBA was required to act in 'close cooperation' with ESMA (and in a limited number of cases, the ECB in its capacity as a monetary authority). This would be satisfied by ESMA sitting as an observer on the workstreams (and, where appropriate, engaging more actively) on the relevant TFs, SGs, and SCs (and vice versa in relation to ESMA's mandates). For the two joint EBA-ESMA mandates, relating to governance of ARTs and CASPs, EBA would lead the former and ESMA the latter. For the one joint-ESA mandate (GL on the classification of crypto-assets), ESA staff would lead the drafting in close coordination and consult each ESA's relevant SG/SC. As regards to supervision (starting at earliest 1 October 2024), the Head of DF clarified that the implementation plan foresaw three main components for the set-up of the EBA supervisory function, namely ongoing supervisory function, governance for supervisory tasks and

establishment of investigation and enforcement functions. The EBA would only supervise issuers of significant ARTs and EMTs (if any tokens reach significance level by then). There were differences in the scope EBA direct supervision depending on the type of tokens. For issuers of significant ARTs, all MiCA requirements were to be under the scope of EBA supervision. Whereas for the issuers of significant EMTs, (i) EBA direct supervision would relate only to issuers that are e-money institutions (EMIs) not to credit institutions, which would remain to be supervised by the relevant home competent authorities (CAs), and (ii) EBA would only be responsible for supervising a sub-set of MiCA requirements while the home CA would keep supervising the remaining requirements (dual supervision). As regards to other tasks, all of which were expected to apply from 18 months from entry into force, these included issuing Opinions to CAs, at their request, on the regulatory classification of crypto-assets; exercising (temporary) product intervention powers (ARTs and EMTs only); performing a facilitation and coordination role in relation to exercises by CAs of product intervention powers adopting opinions on whether the prohibition or restriction was justified and proportionate; providing inputs, as appropriate, to ESMA and EC reports mandated under MiCA on the latest developments on crypto-assets and on the application of MiCA; and market monitoring in relation to ARTs/EMTs. On IT development, the Head of DF said that the EBA was planning to develop a collaboration tool with CAs for exchange of information and a collaboration tool with issuers of significant ARTs/EMTs to upload and access information. Furthermore, the EBA planned to set up IT tool for supervisory colleges to exchange information for significant issuers of ARTs/EMTs with other authorities and conduct data collection from issuers of significant ARTs/EMTs. With regard to the supervisory convergence, the Head of DF informed that since Q3 2022, the EBA has already taken actions to facilitate supervisory convergence in the transition phase to the application of MiCA and to mitigate risks of forum shopping which has already proved useful, in particular via the EBA’s Network on Crypto-assets. These initiatives would be further enhanced in 2023. She concluded by outlining the envisaged involvement of the CAs during the implementation of MiCA.

18. Members welcomed the update. Several Members raised comments related to the need for supervisory convergence in the transition phase, and the potential issue of registration and licencing shopping in the EU; the number of supervised entities in the future, and the governance and set up of the supervision. They asked for close cooperation and coordination with the CAs and ESMA as some of the task tasks were in ESMA’s remit. The Members also pointed at challenges linked to the enforcement and fines which might become urgent soon. One Member stressed that the crypto market was very speculative, and products intensively marketed to less experienced consumers and that these factors could result in very significant risks. He also said that while the preparatory work done so far was very good, it might be considered by the EBA and the other ESAs whether a closer collaboration would not be needed earlier than in mid-2024 as currently planned, in particular to monitor entities with multiple different crypto-asset business lines. One Member noted of the different working methods in all involved experts groups and mentioned that there may need to be a greater consistency. Another Member highlighted the need for additional opportunities for BoS-level engagement on L2 mandates, notwithstanding the very short time horizon for development. A number of

Members asked for clarification on the governance structure for supervision tasks and suggested to have more discussions at the BoS level on the topic. One Member questioned the CAs' involvement and the channels to be used for the CAs in the preparatory work and the actual supervision. Other Member noted the importance of the market monitoring given that the market was constantly and rapidly changing. He also proposed to have a list of 'lessons learned' from licensing and registration to help promote convergence. One Member referred to the work on crypto done by the BCBS level and noted the need for close coordination in the context of EU implementation. Another Member asked what supervisory tools would be used by the CAs and the ESAs to address the particular issues crypto issuers may bring and if any new tools were to be developed.

19. The EC representative informed that the Council was planning to adopt the final text on MiCA in April 2023 and the EP in May 2023. He also mentioned that the US counterparts were not planning to introduce any similar regulation in the near future.

20. The ECB Banking Supervision representative supported the implementation plan and stressed the importance of supervisory convergence.

21. The Director of ICC agreed that the cooperation and consistency of policy development methods were crucial. She also referred to the existing EBA governance structured that would be involved in the implementation.

22. The Head of DF confirmed that the ESAs were closely cooperating. She also mentioned involvement of colleges that was planned as part of the implementation and was intended to address also convergence issues during supervision phase.

23. The Chairperson concluded by noting the comments and stressed that the ESAs and the CAs would need to pull resources to build the supervision. He also acknowledged the need for a good coordination and cooperation in particular on licensing during the transition phase.

Agenda item 4: Risks and vulnerabilities in the EU

24. The EBA Director Economic and Risk Analysis Department (ERA) updated the BoS on the latest developments in the EU related to risks and vulnerabilities. He provided a brief overview of the drivers affecting the main risk areas over a 6m-12m horizon and noted that credit risk in particular towards household exposures as well as IT related risks were main areas of attention. He continued by pointing out that macroeconomic forecasts remained uncertain but that forecasters had stopped revising expected growth downwards and that some macroeconomic indicators were improving. A slight decline in capital and liquidity ratios is reported, although they remain at robust levels. He noted that loans to large corporates were the main driver of lending growth in Q3 2022. Exposures towards energy companies increased further in Q3. The NPL ratio declined slightly in Q3. The share of loans classified stage 2 remained elevated. NPLs for SMEs and consumer credit increased slightly in Q3. The Director of ERA also mentioned that despite the uncertain outlook, there was an overall optimism on

the market regarding to profitability which remained rather strong on the back of rising NII. The supervisory focus has been on liquidity and funding risks. LCR was expected to decline further amid TLTRO repayments. Expectations are that banks would use mainly deposits held with central banks to pay back outstanding TLTRO. Also, additional net new funding volumes (unsecured, CBs and client deposits) should be sufficient to maintain LCR levels above minimum requirements, if the economic and geopolitical situations would not again deteriorate. Funding markets in January were extraordinarily active across regions and across the capital structure. However, markets remained volatile. He concluded that the EBA was aware that CAs have been dealing with and addressing operational and cyber-risks pro-actively. He noted that that so far, there appears to have been limited damage to EU banks due to cyber-attacks.

25. A presentation by the Finish BoS Member followed. He focused on risks and vulnerabilities in the Finish banking sector and noted that the banks' profitability was above the EU-weighted average, and that the capital adequacy of the national banking sector remained strong without any signs of material asset quality deterioration so far. He also said that banks were more depended on both secured and unsecured market funding than other banking sectors. With regard to operational risk, the BoS Member mentioned that cyber risk management has been a focus area in the supervision for several years and that contingency arrangement for serious disruptions in payment systems are being implemented at the national level.

26. The Members updated on their national developments. Some noted benign trends with increasing profitability driven mainly by net interest income. Several BoS Members remained cautious with respect to the medium- to longer outlook for the banking sector, with costs and credit risk being the main areas of concern. While some Members mentioned that the majority of loans were at variable interest rates in the jurisdictions, a few acknowledged that the increase of interest' rates did not yet have a major impact on NII given large shares of fixed interest rate loans in their respective markets. Some Members acknowledged lower credit demands from residential households. With regard to the main funding instruments used for the repayment of TLTRO, the Members agreed that banks were broadly in a position to replace TLTRO funding that cannot be covered by central bank deposits by other means of funding. A few Members noted that they have not yet have observed strong signs of recession or of increasing NPLs. One Member stressed that banks in the respective market were very slow in transmitting higher interests' rates and that, banks would be able to cover increased provisioning from higher net interest income.

27. The ESRB representative mentioned that only one member state was reporting a negative economic growth rate. He also referred to a significant decrease of energy prices and an upward shift of the monetary path but stressed some existing risks for some banks. He expected challenges for some banks to pass on higher interest rates to their assets.

28. The ECB Banking Supervision representative said that funding markets remained robust but noted that a few institutions faced pressure. He pointed out that the SSM has conducted a targeted review of banks on TLTRO repayments. In this regard, he also mentioned very active

issuing with front loading of funding plans on banks funding activity. He also pointed to an increasing share of loans classified at stage 2 in some countries as an issue of concern. Finally, he also confirmed increased income of banks from core activities in 2022.

29. The SRB representative indicated that it launched in December workshops with market participants on market funding, whose conclusion was that some funding difficulties were noted for smaller banks but no lack of market access. Therefore, the SRB would keep monitoring market conditions over the course of 2023.

30. The Chairperson concluded by noting that while the current overall situation of the banking sector is benign in the short-term, caution and prudent monitoring is required in the medium term under this uncertain environment.

Agenda item 5: EU-wide stress test

31. The Chairperson introduced the item by reminding the Members that in July 2022, the BoS approved the proposed top-down model to project NFCI during the 2023 EU-wide stress test. The BoS also approved the application of a model overlay to cap and floor the model-based projections but decided to postpone the precise calibration of this "corridor" until the 2023 scenario was available.

32. The EBA Head of Risks Analysis and Stress testing Unit (RAST) continued by explaining that there were two options for the corridor 1) a narrow [-20%, -10%] range where the most severe projected cumulative growth rate of NFCI would be -20% compared to starting point level for the adverse scenario; and 2) a wide [-30%, -10%] range where the most severe projected cumulative growth rate of NFCI would be -30% compared to starting point level for the adverse scenario. He proceeded to present the pros and cons of the two options. The Head of RAST then explained how the top-down model would be implemented in the 2023 EU-wide stress test exercise and summarised the recalibration of the BoS approved NFCI. He clarified that these updates were due to the (i) inclusion of new banks in the estimation sample, (ii) inclusion of end-2022 data.

33. The views of the Members on the two options were mixed. A smaller group of Members preferred the narrow corridor arguing that the wider corridor would result in a too severe NFCI decline for several banks. They also pointed to the need to enhance the NFCI model to better reflect the situation in their jurisdictions. A majority supported the wide corridor. Several Members argued that this would allow the stress test to better capture the severity of the adverse scenario. They also highlighted that the narrow corridor would result in a too limited number of banks becoming subject to the top-down model-based projections.

34. The ECB Banking Supervision representative supported the wide corridor and explained that it better reflected the scenario and it would be more realistic.

35. The ESRB representative supported the wide corridor and said that the results, when applying the wide corridor, would be more realistic.

36. Given the mixed views, the Chairperson asked the Members to express their preference by a vote. The majority of the Members supporter the wide corridor.

Conclusion

37. The BoS approved the application of the wide corridor (-30%, -10%) as an overlay to the NFCI top-down model for the adverse scenario of the 2023 EU-wide stress test by consensus.

Agenda item 6: BSG composition and selection criteria

38. The Chairperson introduced the item by noting the recent extension of the Banking Stakeholder Group (BSG) reserve list and said that the aim was to discuss a possible need to diversify the expertise of this group to support the EBA work in the coming years. He reminded the BoS that the composition of the BSG and the number of its members was set up in the EBA Regulation.

39. The EBA Head of Governance and External Affairs Unit (GEA) continued by reminding the Members that the BSG consisted of 30 members who were appointed for a 4 years' mandate in June 2020. Since then, several members have resigned and were replaced with candidates selected from a reserve list established together with the selection of the BSG initial members. This reserve list was used extensively during the first two years of the BSG mandates, which has led the EBA to launch on 29 July 2022 a call for expression of interest for candidates to expand the list. After receiving around 30 applications, and following an internal selection of candidates, an updated reserve list was approved by the MB and the BoS. Considering the broadened needs of stakeholders' expertise to support the work on the upcoming mandates allocated to the EBA that would require expertise beyond the 'banking' field, the Head of GEA presented a number of alternatives for the future composition of the BSG, including selecting representatives, especially among the representative of financial institutions, from institutions such as crypto-assets issuers, third party providers or payments institutions or complementing, where necessary, the need for stakeholders' expertise and support by setting up ad hoc technical groups on specific areas.

40. The Members welcomed the proposal to broaden the scope of the BSG. Several Members noted that the mandate of the EBA has been changing over the years and that the composition of the BSG should reflect these changes. They pointed at potential reputational risks linked to the selection of the members, their working experience, and the reputation of the institutions they represented. One Member proposed focusing on experienced individuals rather than industry representatives from associations. Another Member noted that, keeping in mind that even in mature industries such as the banking sector there are issues (with AML offences and even criminal proceedings), the selection process should be realistic in setting standards for integrity for crypto sector representatives. Several Members were of the view that the BSG would benefit from inclusion of experts on crypto-assets and/or third-party providers given the extended EBA's mandate on MiCA and DORA. They however noted that this should not result in dominance of these new market participants over credit institutions.

41. The Chairperson concluded by acknowledging the BoS's comments and said that the evolutions of the EBA mandate should be reflected, to the extent possible, in the BSG composition. He encouraged the Members to find suitable candidates.

Conclusion

42. The BoS confirmed that all the areas covered by the EBA's mandate should be represented to the extent possible in the EBA Banking Stakeholder Group.

Agenda item 7: Update on integrated reporting

43. The Chairperson reminded the Members that in December 2021 the EBA published its feasibility study of an integrated reporting system. After the publication, work and discussions have continued in some of the key building blocks identified in the report, notably the governance arrangements for the future integrated reporting system; the way the industry should be involved; and the common data dictionary that should support the integration. He also stressed the importance of this aspirational project and a need for the data for all aspects of the EBA's work.

44. The EBA Director of Data Analytics, Reporting and Transparency Department (DART) presented an overview of the progress made in 2022. She noted that in 2022, the EBA, in close collaboration with the ECB and other European authorities (EC, SRB, SSM) have worked on specific topics on integrated reporting, in the form of informal discussions and targeted analysis, based on the priorities identified in the Feasibility study. CAs contributed and discussed via the EBA and ECB established groups and discussions have concluded in 2022 Q4 with two comprehensive workshops, one with competent, resolution and statistical authorities only and the second gathering authorities and banking industry representatives. She summarised proposed governance arrangements, including set up of a joint bank reporting committee, an advisory body that would act as a forum for the exchange of views and best practices for authorities that prepare and issue legislation on statistical, resolution and/or prudential reporting for institutions, and for other parties involved in the reporting process. Secondly, she explained the work on a common data dictionary with two major components - the common data dictionary "container", represented by the common metamodel (syntactic layer) that ensured the content was organised in a standardised and harmonised way, and the common data dictionary "content", which included a common data glossary (semantic layer), used for the conceptual modelling of all data collections, and also the actual definition of the elementary data points of each data collection. Thirdly, the Director of DART referred to the granularity in supervisory reporting and said that levels of granularity of statistical reporting and supervisory/resolution reporting were quite different, with the first mainly based on granular data and the latter making use mostly of aggregate data. Finally, she presented a workplan for 2023 which included drafting of the mandate for the governance and industry involvement arrangements and up the relevant bodies; continuation of the work on the data dictionary with the preparation of a roadmap for semantic integration; and start of the work on granularity focused on a use case for credit risk granular reporting.

45. The Members supported the work done and the way forward. A number of Members asked for further acceleration of the project given its strategic importance. Other Members welcomed the step-by-step approach proposed by the EBA. One Member stressed that any data collection should have clearly defined purposes, that therefore more granular data was necessary, but that the EBA should avoid double-reporting and break-up prudential and statistical silos. This Member also asked for a better representation of CAs in the Steering Committee. The Members supported the setup of the joint banking reporting committee and stakeholder group and some Members called for adequate non-SSM countries representation in the committee. One Member referred to the involvement of the stakeholders and asked for clarification whether these stakeholders would be members of the BSG. Other Member proposed making further use of existing data collections.

46. The ECB Banking Supervision representative mentioned that it was a transformational project in which the ECB would be involved as well. He supported the set-up of the joint committee, the work on semantic integration and granularity work and emphasized the importance of avoiding data duplication. asked for re-use of the existing data collection. He stressed that the project should be beneficial mainly for the end-users of the collected data.

47. In her response, the Director of DART explained that the involved stakeholders would be data and/or reporting experts. She also said that the EBA would further detail the membership, structure, governance, and the work plan of the joint bank reporting committee.

48. The Chairperson concluded by reminding importance of this project and noting the support of the plan and comments of the Members and stressing the complexity of the project.

Agenda item 8: Draft Report on the benchmarking of diversity practices and the gender pay gap at the level of the management body at European Union level under Directive 2013/36/EU (2021 data

49. The Chairperson introduced the item by acknowledging that the report was an outcome of the third diversity benchmarking exercise the EBA has performed since 2015 and said that it also included an analysis of the gender pay gap at the board level.

50. The responsible EBA Senior Policy expert presented the main findings of the report. He said that diversity and in particular the aspect of a more equal representation of genders has become a strategic item for the EU. While there have been continuous improvements of diversity practices in institutions, the progress was slow and the representation of women in boards was not yet satisfactory. To improve the situation the report pointed out that all institutions, as required since 2014, must adopt a diversity policy – still one quarter of institutions has not done so. It was also needed that firms take measures that help to break the glass ceiling in the career development of women which could lead to a more gender balanced pool of candidates for board positions. Furthermore, the CAs should also play a role

to push institutions into the adoption of diversity policies and their implementation. The Senior Policy expert clarified that the EBA analysed the correlation between the profitability of a credit institution expressed as return on equity (RoE) and gender diversity of executive directors. With a gender-diverse management function the average RoE went up to 7.88%, while credit institutions with executive directors of only one gender have a lower RoE of 5.27%. On average, female executive directors, even if not considering the pay of the CEO and basing the calculation on their median remuneration, received 9.43% less remuneration than their male colleagues, for non-executive directors the average gender pay-gap is at 5.90%. Concerning the educational and professional background, the data showed a quite limited diversity in many management bodies. Despite growing importance of information and communication technologies in the financial services sector, there was only little coverage of these areas within the management bodies, 6% of directors had such a background and were mainly located in large institutions. On the geographical provenance, the data showed that there was a relatively high percentage of institutions in which the geographical business activities and the geographical provenance of the directors did not fully match, with slightly better coverage in the supervisory function than in the management function of the management body.

51. The Members supported the work and the publication of the report. Several Members asked for more powerful narrative which could draw the attention in the public and the press and clearly expressed the obligations of institutions and also of the CAs. While Members saw that there were some improvements regarding the gender balance, they said that the progress made was very slow and one Member commented that this was also due to a lack of suitable candidates. They highlighted the fundamental importance of the topic and acknowledged a slow process also on the side of the CAs. A few Members noted some data issues and said that more thorough data quality checks also at the CAs are needed. One Member asked to add the description of Tier 1 and Tier 2 structures in the footnote.

52. The EC representative supported the publication and suggested including measures that the EBA was planning to introduce in order to address the pending issues.

53. The EBA Senior Policy expert noted that further data corrections will be applied to figures 12 and 13 that had already been communicated to EBA already before the meeting as well as to find a more precise language regarding the legal obligations and necessary steps to be taken to overcome the identified shortcomings.

54. The Chairperson concluded by noting the comments by the Members and confirmed that the EBA would further precise the drafting to better reflect all pressing issues and asked the BoS to send their final comments in writing.

Agenda item 9: Revision of Guidelines on risk-based contributions under DGSD

55. The Chairperson introduced the item by reminding the BoS of the public consultation on revising the EBA Guidelines on DGS contributions.

56. The EBA Head of Conduct, Payments and Consumers Unit (COPAC) continued by clarifying that following the public consultation, and in view of the key concerns that have been raised and requests for clarification that have been made by respondents, the EBA introduced a number of changes to the Guidelines, including providing guidance how to apply a stock-based contribution method in addition to the flow-based contribution method; clarifying the forward-looking approach to raising contributions; setting the deadline for application of the guidelines to 3 July 2024; specifying the formula how to calculate minimum contributions; and simplifying several formulas in the Guidelines. Finally, he also highlighted that the EBA staff was planning to start a procedure to remove one paragraph from the Guidelines on the delineation and reporting of available financial means, which has now been included in a revised form in the revised EBA Guidelines on DGS risk-based contributions.

57. The Members welcomed the revision of the Guidelines, and two Members appreciated the introduced changes. One of the Members highlighted that in the next review of the Guidelines there may be a need to revisit the minimum weights of the core indicators.

58. The Chairperson concluded by noting the support by the BoS.

Conclusion

59. The BoS approved by consensus the publication of the draft Final Report of the revised Guidelines on DGS contributions.

Agenda item 10: AOB

60. The Chairperson informed the BoS that the EBA was planning to send for their approval after the meeting, an EBA Opinion concerning a no action letter which followed a letter of the European Commission inviting the EBA to consider communicating to credit institutions and investment firms that they were not expected to comply with the boundary framework provisions in CRR2 until all the boundary framework elements are implemented in Union law.

61. None of the Members raised any comments.

Participants of the Board of Supervisors' meeting on 15 February 2023[1]

Chairperson: José Manuel Campa

Country	Voting Member/High-Level Alternate	National/Central Bank
1. Austria	Helmut Ettl	Karin Turner-Hrdlicka
2. Belgium	Jo Swyngedouw/Kurt Van Raemdonck	
3. Bulgaria	Stoyan Manolov	
4. Croatia	Tomislav Coric	
5. Cyprus	Constantinos Trikoupis	
6. Czech Republic	Marcela Gronychova	
7. Denmark	Jesper Meyer*	Morten Rasmussen
8. Estonia	Stina Mander**	Timo Kosenko
9. Finland	Jyri Helenius	Hanna Freystatter
10. France	Nathalie Aufauvre	
11. Germany	Peter Lutz	Karlheinz Walch
12. Greece	Heather Gibson	
13. Hungary	Csaba Kandracs	
14. Ireland	Gerry Cross	
15. Italy	Francesco Cannata	
16. Latvia	Ludmila Vojevoda	
17. Lithuania	Simonas Krepsta	
18. Luxembourg	Claude Wampach	Christian Friedrich
19. Malta	Anabel Armeni Cauchi	
20. Netherlands	Steven Maijoor	Willemieke van Gorkum
21. Poland	Kamil Liberadzki	
22. Portugal	Jose Rosas	
23. Romania	Catalin Davidescu	
24. Slovakia	Tatiana Dubinova/Linda Simkovicova	
25. Slovenia	Damjana Iglic	
26. Spain	Angel Estrada/Agustin Perez Gasco	
27. Sweden	Karin Lundberg	David Forsman

EFTA Countries	Member	
1. Iceland	Gisli Ottarsson	
2. Liechtenstein	Elena Seiser	
3. Norway	Morten Baltzersen	Sindre Weme

Observer	Representative
1. SRB	Nadege Jassaud

[1] Pascal Hartmann (FMA); Luca Serafini (Banca d'Italia); Eida Mullins (Central Bank of Ireland); Mateusz Stanczyk (KNF); Marek Sokol (CNB); Sam Visser (DNB); Christian Elbers (BaFin); Ivan Carl Saliba (MFSA); Emilio Hellmers (ESRB); Francesco Pennesi (SRB)

*Appointed expert representing Danish FSA without voting rights

** Appointed expert representing Finantsinspektsioon without voting rights

Other Non-voting Members	**Representative**
1. ECB/SSM	Carmelo Salleo
2. European Commission	Almoro Rubin de Cervin
3. EIOPA	
4. ESMA	Jakub Michalik
5. EFTA Surveillance Authority	Marta Margret Runarsdottir
6. ESRB	Andreas Westphal

EBA

Executive Director	François-Louis Michaud
Director of Economic and Risk Analysis Department	Jacob Gyntelberg
Director of Prudential Regulation and Supervisory Policy Department	Isabelle Vaillant
Director of Innovation, Conduct and Consumers Department	Marilin Pikaro
Director of Data Analytics, Reporting and Transparency Department	Meri Rimmanen

EBA Heads of Unit

Philippe Allard	Angel Monzon
Jonathan Overett Somnier	Dirk Haubrich
Ruta Merkeviciute	Pilar Gutierrez
Delphine Reymondon	Olli Castren
Geatano Chionsini	

EBA experts

Tea Eger	Anca Dinita
Anja Bautz	Christoph Erkunt
Davide Vioto	Diana Gaibor
Dimitrios Mokas	Elena Iglesias
Emanuel Andrei	Luis Del Olmo
Marina Cernov	Antonio Barzachki
Drangan Crnogorac	Giuseppe Cascarino
Elisabeth Noble	Davide Stroppa
Slawek Kozdras	

For the Board of Supervisors

Done at Paris on 29 March 2023

[signed]

José Manuel Campa

EBA Chairperson