


# POSITION PAPER



**ESBG response to the EBA consultation on draft Implementing Technical Standards on procedures and templates for the identification and transmission of information by resolution authorities to the EBA, on minimum requirements for own funds and eligible liabilities under Article 45(17) of Directive 2014/59/EU**

**ESBG (European Savings and Retail Banking Group)**

Rue Marie-Thérèse, 11 - B-1000 Brussels

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Dear Sir/Madam,

Thank you for the opportunity to comment on the EBA consultation *on draft Implementing Technical Standards on procedures and templates for the identification and transmission of information by resolution authorities to the EBA, on minimum requirements for own funds and eligible liabilities under Article 45(17) of Directive 2014/59/EU*. We would like to share with you the following reflections that we hope will be taken into account by the EBA.

### **General comments**

ESBG very much appreciates the EBA's efforts in weighting the costs for the authorities and the need to provide transparency on how resolution authorities (RAs) apply the factors considered in the RTS on MREL when making individual decisions. To us, the proposal put forward by the EBA seems to strike a sensible balance.

Even though one could argue that this initiative could exceed the EBA's mandate under Article 45(17) BRRD to develop procedures and templates for the identification and transmission of information, we welcome if the level of granularity provided for in the reporting by RAs to the EBA could be seen as a minimum standard for the level of detail to be provided by the RAs to the banking institutions concerned.

As described in Art 2 draft implementing regulation, information on MREL shall be transmitted by 1 May each year, consisting of the MREL that is applied at 1 April the same year. In this respect, ESBG would like to encourage to change or extend this approach and to define a transmission of any change in MREL at the time it occurs. Based on the fact that an MREL decision (following an SREP) is not automatically made at the same time for each institution (e.g. at the end of each year), it would make sense to incorporate this aspect.

***Question 1: Do you consider that any of the components of the ITS templates presented in the Annex I and Annex II to inform the EBA of the minimum requirement for own funds and eligible liabilities are not appropriate, and if so why?***

No.

***Question 2: Do you consider that any additional components are needed to be included in the templates presented in Annex I and Annex II, and if so why?***

No.

***Question 3: Do you consider it necessary to split the line 190 of the Annex 1 'downward adjustment taking into account information received from the competent authority relating to the institution's business model, funding model, and overall risk profile' into individual lines for each component i) business model, ii) funding model, and iii) overall risk profile?***

No. However, we suggest including a justification if such adjustment is not made.

***Question 4: Do you consider it necessary to add additional lines to gather information on MREL subordination requirements? If yes, how granular information is needed?***

No.



## About ESBG (European Savings and Retail Banking Group)

ESBG brings together nearly 1000 savings and retail banks in 20 European countries that believe in a common identity for European policies. ESBG members represent one of the largest European retail banking networks, comprising one-third of the retail banking market in Europe, with 190 million customers, more than 60,000 outlets, total assets of €7.1 trillion, non-bank deposits of €3.5 trillion, and non-bank loans of €3.7 trillion. ESBG members come together to agree on and promote common positions on relevant regulatory or supervisory matters.



European Savings and Retail Banking Group – aisbl  
Rue Marie-Thérèse, 11 ■ B-1000 Brussels ■ Tel: +32 2 211 11 11 ■ Fax: +32 2 211 11 99  
Info@wsbi-esbg.org ■ [www.wsbi-esbg.org](http://www.wsbi-esbg.org)

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