

EUROPEAN SYSTEMIC RISK BOARD

DECISION OF THE EUROPEAN SYSTEMIC RISK BOARD

of 16 September 2014

on the extension of certain deadlines set by Recommendation ESRB/2012/2 on funding of credit institutions

(ESRB/2014/4)

(2015/C 22/04)

THE GENERAL BOARD OF THE EUROPEAN SYSTEMIC RISK BOARD,

Having regard to Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board ⁽¹⁾, and in particular to Article 3(2)(b), (f) and (g), Article 4(2), Article 16(2) and Article 17 thereof,

Having regard to Decision ESRB/2011/1 of the European Systemic Risk Board of 20 January 2011 adopting the Rules of Procedure of the European Systemic Risk Board ⁽²⁾, and in particular Articles 19 and 20 thereof,

Whereas:

- (1) On 20 December 2012 the General Board of the European Systemic Risk Board (ESRB) adopted Recommendation ESRB/2012/2 ⁽³⁾. The recommendation aims at incentivising sustainable funding structures for credit institutions.
- (2) In order for the aims of Recommendation ESRB/2012/2 to be achieved, national supervisory authorities (hereinafter 'NSAs'), national macro-prudential authorities and the European Banking Authority (EBA) are requested to take certain actions within the time limits set out in its section 2(3).
- (3) On 31 December 2013 the General Board decided to extend those time limits by between six and 12 months. According to the revised timeline, NSAs with responsibility for banking supervision, and NSAs and other authorities with a macro-prudential mandate are requested to send to the ESRB an interim report containing a first assessment of the results of the implementation of Recommendations A(1), (2) and (3) by 30 June 2015 and a final report by 31 January 2016. The EBA should deliver a first monitoring report on Recommendation A(5) by 30 June 2015 and a final report by 30 September 2015. However, some addressees have stated that it will not be possible to fully comply with the specified time limits.
- (4) The overarching objective of the ESRB is to prevent or mitigate systemic risks in a timely and effective manner. The General Board considers that a further delay of six months in the first monitoring report by the NSAs on Recommendations A(1), (2) and (3) and a further delay of nine months in the first monitoring report by the EBA on Recommendation A(5) would not jeopardise the orderly functioning of the financial markets, nor imply that those recommendations will be left unimplemented.
- (5) The General Board has thereby decided to extend the time limits set out in Recommendation ESRB/2012/2 in respect of Recommendations A(1), (2), (3) by six months and in respect of A(5) by nine months in order to provide the NSAs and the EBA with the proper time to take the steps necessary for the implementation of the relevant recommendations,

HAS ADOPTED THIS DECISION:

Article 1

Amendments to Recommendation ESRB/2012/2

Recommendation ESRB/2012/2 is amended as follows:

1. section 2(3)(1) is replaced by the following:

⁽¹⁾ OJ L 331, 15.12.2010, p. 1.

⁽²⁾ OJ C 58, 24.2.2011, p. 4.

⁽³⁾ Recommendation ESRB/2012/2 of the European Systemic Risk Board of 20 December 2012 on funding of credit institutions (OJ C 119, 25.4.2013, p. 1).

1. *Recommendation A* – National supervisory authorities with responsibility for banking supervision, national supervisory authorities and other authorities with a macro-prudential mandate, and the EBA are requested to report according to the following timeline:
- (a) by 31 December 2015, national supervisory authorities with responsibility for banking supervision are requested to deliver to the ESRB an interim report containing a first assessment of the results of the implementation of Recommendation A(1) and (2);
 - (b) by 31 July 2016, national supervisory authorities with responsibility for banking supervision are requested to deliver a final report on Recommendation A(1) and (2) to the ESRB and to the Council;
 - (c) by 31 December 2015, national supervisory authorities and other authorities with a macro-prudential mandate are requested to deliver to the ESRB an interim report containing a first assessment of the results of the implementation of Recommendation A(3);
 - (d) by 30 September 2016 national supervisory authorities and other authorities with a macro-prudential mandate are requested to deliver a final report on the implementation of Recommendation A(3) to the ESRB and to the Council;
 - (e) by 30 June 2014, the EBA is requested to deliver the guidelines referred to in Recommendation A(4) to the ESRB and to the Council;
 - (f) by 31 March 2016, the EBA is requested to deliver to the ESRB an interim report containing a first assessment of the results of the implementation of Recommendation A(5);
 - (g) by 30 June 2016, the EBA is requested to deliver a final report on the implementation of Recommendation A(5) to the ESRB and to the Council.;

2. in the Annex, point V.1.3.1 is replaced by the following:

V.1.3.1. Timeline

National supervisory authorities with responsibility for banking supervision, national supervisory authorities and other authorities with a macro-prudential mandate and the EBA are requested to report to the ESRB and the Council on the actions taken in response to this Recommendation, or adequately justify any inaction, according to the following timeline:

- a. by 31 December 2015, national supervisory authorities with responsibility for banking supervision are requested to deliver to the ESRB an interim report containing a first assessment of the result of the implementation of Recommendations A(1) and (2);
- b. by 31 July 2016, national supervisory authorities with responsibility for banking supervision are requested to deliver a final report on Recommendations A(1) and (2) to the ESRB and to the Council;
- c. by 31 December 2015, national supervisory authorities and other authorities with a macro-prudential mandate are requested to deliver to the ESRB an interim report containing a first assessment of the result of the implementation of Recommendation A(3);
- d. by 30 September 2016, national supervisory authorities and other authorities with a macro-prudential mandate are requested to deliver a final report on the implementation of Recommendation A(3) to the ESRB and to the Council;
- e. by 30 June 2014, the EBA is requested to deliver the guidelines referred to in Recommendation A(4) to the ESRB and to the Council;
- f. by 31 March 2016, the EBA is requested to deliver to the ESRB an interim report containing a first assessment of the result of the implementation of Recommendation A(5);
- g. by 30 June 2016, the EBA is requested to deliver a final report on the implementation of Recommendation A(5) to the ESRB and to the Council.;

Article 2

Publication

This Decision shall be published on the ESRB's website on the date of its entry into force.

*Article 3***Entry into force**

This Decision shall enter into force on the date of its approval.

Done at Frankfurt am Main, 16 September 2014.

The Chair of the ESRB

Mario DRAGHI
