I
(Resolutions, recommendations and opinions)

RECOMMENDATIONS

EUROPEAN SYSTEMIC RISK BOARD

RECOMMENDATION OF THE EUROPEAN SYSTEMIC RISK BOARD
of 21 March 2016
amending Recommendation ESRB/2012/2 on funding of credit institutions
(ESRB/2016/2)
(2016/C 140/01)

THE GENERAL BOARD OF THE EUROPEAN SYSTEMIC RISK BOARD,

Having regard to the Treaty on the Functioning of the European Union,

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), (d) and (f), and Articles 16 to 18 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 Article 15(3)(e) and Articles 18 to 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 Section 2(3) of Recommendation ESRB/2012/2.

(3) On 16 September 2014 the General Board decided to extend some time limits by periods of six to 12 months. According to the revised timeline, the EBA should deliver to the ESRB an interim report containing a first assessment of the results of the implementation of Recommendation A(5) of Recommendation ESRB/2012/2 by 31 March 2016 and a final report to the ESRB and the Council of the European Union by 30 June 2016. These reports should be based on the data on funding plans submitted to the EBA by NSAs. However, the EBA has stated that it will not be possible to fully comply with the specified time limits due to delays in the delivery of data.

(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 merging the interim and the final reports on Recommendation A(5) into a single report to be delivered by the EBA and extending the time limit for the delivery of the report to the ESRB and the Council by an additional 12 months would not jeopardise the orderly functioning of the financial markets, nor imply that Recommendation A(5) will be left unimplemented.

(5) The General Board should therefore extend the relevant time limit in order to provide the EBA with sufficient time to take the steps necessary for the implementation of Recommendation A(5).

(6) Therefore Recommendation ESRB/2012/2 should be amended accordingly,

(2) OJ C 58, 24.2.2011, p. 4.
HAS ADOPTED THIS RECOMMENDATION:

Recommendation ESRB/2012/2 is amended as follows:

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

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 2017, the EBA is requested to deliver a 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 2017, the EBA is requested to deliver a report on the implementation of Recommendation A(5) to the ESRB and to the Council.

Done at Frankfurt am Main, 21 March 2016.

The Chair of the ESRB
Mario DRAGHI