

I. UPCOMING EBA PUBLICATIONS (OCTOBER–DECEMBER 2017)

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	Recommendation on equivalence of 3 rd countries (confidentiality requirements) 2017	December 2017
Consolidation	Consultation Paper on draft RTS on consolidation methods	October 2017
Disclosure	Final Guidelines on disclosure requirements on IFRS 9 transitional arrangements	December 2017
ECAIs	Revised draft ITS to reflect the mapping of new ECAIs	December 2017
Impact assessment	Report on impact of LCR (2017)	December 2017
IRB	Report on review of CRM framework	November 2017
	Report on Definition of default – Days past due	November 2017
	RTS on economic downturn conditions for LGD [Project Grouping]	November 2017
Liquidity risk	Updated ITS amending the European Commission's Implementing Regulation on additional monitoring metrics amending the EBA ITS on Additional Monitoring Metrics	December 2017
Market risk	Discussion Paper on EBA Workplan in the area of market and counterparty credit risk	December 2017
	List of Closely Correlated Currencies (ITS related) 2017	December 2017
Payments	Final Guidelines on security measures for operational and security risks under the PSD2	October 2017
	Consultation Paper on draft RTS specifying the cooperation and exchange of information – Supervision	December 2017
	Final draft RTS on development, operation and maintenance of the EBA register under PSD2	December 2017
	Final draft ITS on information for compiling the EBA register under PSD2	December 2017
	Final draft RTS on Central contact points (CCPs) under PSD2	December 2017
Peer Review	Peer review of Guidelines on the criteria to determine the conditions of application of Article 131 (3)	October 2017
Recovery and resolution	Consultation Paper on the review of the EBA ITS on reporting for resolution plans	Already published
	Report on MREL (2018)	October 2017
	EBA/ESMA Opinion on retail debt holders subject to the BRRD	December 2017
	Report on the implementation of the EBA Guidelines on methods for calculating contributions to deposit guarantee schemes	December 2017

TOPIC	DELIVERABLE	EXPECTED DATE OF PUBLICATION
Recovery planning and early intervention	EBA Recommendation on coverage of entities in group recovery plans	October 2017
	Final draft RTS on criteria for applying simplified obligations	December 2017
	Report on simplified obligations for certain institutions	December 2017
Risk Analysis	Review of the Stress Test Guidelines (GL 32)	November 2017
	Report on results from the 2017 Market Risk benchmarking exercise	October 2017
	Report on results from the 2017 LDP Credit Risk benchmarking exercise	October 2017
	Templates on NPL loan tapes monitoring	December 2017
	Consultation on Guidelines on NPL Management	December 2017
	Risk Assessment of the European banking system (RAR)	December 2017
Scope of application	Report on the perimeter of regulation	October 2017
Supervisory convergence	2017 EBA annual report on supervisory convergence	November 2017
	Final Guidelines on supervision of branches	November 2017
	EBA Recommendation on outsourcing to cloud service providers	December 2017
	Consultation Paper on revision of EBA Guidelines on SREP	November 2017
	Consultation Paper on revision of Guidelines on management and measurement of interest rate risk in the banking book	November 2017

II. IN FOCUS: NEW REGULATORY FRAMEWORK FOR INVESTMENT FIRMS

What are investment firms?

Under the Markets in Financial Instruments Directive (MiFID) an "investment firm" is defined as *'any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis'*. The MiFID definition, therefore, covers all natural and legal persons who perform investment services and activities using financial instruments, as a regular occupation or business, and on a professional basis.

The MiFID lays down organisational, governance, consumer protection and market functioning regulations, and sets out the passporting process for those firms that provide one of the listed services in the Directive: i.e. investment advice to clients, management of client portfolios, execution of clients' orders on financial instruments, reception and transmission of orders on financial instruments, dealing on own account, underwriting, placing of financial instruments, and operating trading facilities. To reflect this wide array of services, which vary greatly in terms of their nature and size, the MiFID's scope is not straightforward and there are a number of exceptions. Many MiFID investment services and activities may be performed by banks and, indeed, in certain countries it appears that investment services and activities are mainly offered by banks. Although investment firms may not present the same level of systemic threat to financial stability as banks, they pose other significant risks. Chief among these are the risks they present to their customers and the potential impact an investment firm can have on the markets in which it operates leading to a sudden or a temporary dislocation in market access or market liquidity or a loss of market confidence.

There are roughly 6 500 investment firms authorised and regulated by MiFID, and just over half of these are based in the UK. The United Kingdom, Germany, the Netherlands, Spain and France are the main jurisdictions for over 70% of the investment firm population of the European Union (EU).

Which prudential rules currently apply to them?

The prudential framework currently applied to investment firms depends on the firm's categorisation within the Capital Requirements Regulation (CRR) framework. This categorisation is primarily determined by the services and activities the investment firm offers and undertakes, as set out in Annex I of MiFID. The number of MiFID services and activities will increase to nine with the entry into force of MiFID II. For consistency and proportionality purposes, the CRD IV framework uses the MiFID's list of investment services and activities, as well as the ability to hold client money and securities, as criteria for the categorisation of these firms.

The EU prudential regime for investment firms embeds capital requirements, including an initial capital requirement (set as part of the firm's authorisation under the MiFID) and own funds requirements, the supervisory review process (Pillar 2) and public disclosure (Pillar 3).

The current categorisation raises several questions and issues with regards to the risk sensitivity of such categorisation, the complexity of the framework and the interpretation of MiFID investment services and activities among Member States.

The EBA's work on investment firms

A. EUROPEAN COMMISSION'S CALLS FOR ADVICE (CFAS)

First CfA (December 2014)

on the suitability of certain aspects of the prudential regime for investment firms

B. EBA'S RECOMMENDATIONS

First EBA Opinion (14 December 2015)

Broad conclusion: the current regime is not fit for purpose for most of the investment firms. Three general recommendations aiming to provide a more proportionate and less complex prudential regime for investment firms, based on appropriate risk sensitivity parameters:

First recommendation:

The EBA suggested that there should be three classes for investment firms:

Class 1:

systemic, 'bank-like' firms which should remain within the scope of the current CRR;

Class 2:

a middle category for the majority of firms. These will not be systemic but do pose risks and should be subject to a less-complex prudential regime calibrated to address specific risks;

Class 3:

small firms which are not interconnected which should be subject to a very simple regime to cater for wind-down, if appropriate

Second recommendation:

The EBA suggested that a specific prudential regime should be designed for those investment firms for which the CRD and CRR are not applicable.

Third recommendation:

The EBA points out that the exemptions provided in Articles 493 and 498 of the CRR need to be extended until 2020 to avoid any unintended burdens on certain firms that fall under MiFID.

Second CfA (13 June 2016)

To provide detailed technical advice on the first two recommendations.

On the First Recommendation, the Commission asked the EBA to develop, for each of the three proposed classes of firms, the exact criteria, indicators and thresholds for determining which firm falls in each class.

Second EBA Opinion (19 October 2016)

The EBA recommends that only those investment firms that are currently identified as Global Systemically Important Institutions (GSIs) and Other Systemically Important Institutions (OSIs) remain subject to the full CRD/CRR regime.

Class 1 firms should be made up of systemic, interconnected and bank-like investment firms to which the full CRD/CRR requirements should be applied, in particular because these firms are exposed to credit risk, counterparty credit risk and market risk for positions taken on own account be it for the purpose of external clients or not.

The following criteria should be considered relevant to identify Class 1 firms:

- a) systemic importance;
- b) interconnectedness with the financial system;
- c) complexity;
- d) bank-like activities.

On the Second Recommendation, the Commission asked the EBA to design a new prudential regime for investment firms, which is specifically tailored to the needs of investment firms' different business models and inherent risks.

The EBA launched a consultation on 4 November 2017 to develop a single, harmonised set of requirements that are reasonably simple, proportionate, and more relevant to the nature of investment firms.

On 15 July 2016, 20 December 2016 and 6 July 2017 the EBA launched three data collections to support the European Commission in the calibration of the new prudential regime for investment firms, including one dedicated to commodity derivatives dealers.

The EBA's design of a new prudential regime for investment firms

The key objectives of the new prudential framework designed by the EBA are to **strengthen the stability of financial markets, protect customers and ensure an orderly wind down of failing investment firms**. In the proposed framework, the EBA has tried to simplify the existing prudential categorisation of investment firms and to develop a single harmonised approach in terms of their prudential requirements.

Given the heterogeneity of investment firms across the EU in terms of size, risk profiles and structure, as well as in the nature, scope and complexity of their investment activities and services, **proportionality** has represented a guiding principle for EBA when designing the new prudential regime for investment firms. In this context, one of the key tools used by EBA to ensure that the prudential requirements are applied in a proportionate manner is the **new categorisation of investment firms**. Indeed, this prudential categorisation has been used to apply the principle of proportionality throughout the framework, including the level of capital requirements and reporting requirements, or in relation to remuneration and governance provisions.

The **new categorisation** of investment firms consists of three classes: (i) **Class 1 investment firms**, which consists of systemic investment firms or investment firms which are exposed to the same types of risks as credit institutions and should be subject to full CRR/CRD; (ii) **Class 2** and (iii) **Class 3** investment firms are identified through a **risk-based approach**, which is the basis for determining the applicable prudential requirements. This allows the alignment of prudential requirements to the risks posed by the firm, thus ensuring the implementation of the proportionality principle throughout the framework. Larger investment firms and firms with higher risk related to their business model are classified as Class 2, since their failure could have a greater impact on markets and customers. On the other hand, Class 3 firms include those that tend to have a lesser potential impact if they fail, because they are small, less risky and have no or limited interconnectedness with the overall system.

A crucial aspect of the new regime is to ensure that investment firms hold **sufficient resources to support an orderly wind down**. Therefore, the regime sets minimum standards for all investment firms to ensure an orderly liquidation, consistent with a 'gone-concern' regulatory approach. These include a 3-month fixed overheads requirement in addition to permanent minimum capital requirements as well as a 1-month fixed overheads liquidity requirement. The framework, however, is not solely based on 'gone concern' requirements but takes into consideration also a 'going-concern' perspective for firms posing greater risks to customers or markets, namely Class 2 firms. The prudential requirements are calculated based on a **risk (K-factor) approach**, which is the most innovative aspect of the proposed new prudential regime.

It is important to underline that the overall objective of the new prudential regime for investment firms is to have clear and transparent rules with a stronger link to risk sensitivity. Therefore, **investment firms should not be subject to stricter requirements than those faced by credit institutions**.

Next steps: the Commission's launch of a consultation on the investment firms prudential regime

In March 2017, the Commission published an initial impact assessment¹ providing an overview of the problems to be addressed, outlining possible solutions and inviting stakeholders to give their feedback. Based on the Recommendations and the analysis conducted by the EBA, the Commission is expected to launch a consultation on a new prudential regime for investment firms in November 2017.



¹ [Review of the appropriate prudential treatment for investment firms](#)

III. SUMMARY OF KEY EBA PUBLICATIONS (JUNE–SEPTEMBER 2017)

EBA CONSULTATIONS	DESCRIPTION
EBA publishes a Discussion Paper on its approach to FinTech	The EBA published a Discussion Paper on its approach to financial technology (FinTech). The EBA sets out in the Discussion Paper the results of the first EU-wide FinTech mapping exercise and its proposals for future work on FinTech. <i>Publication date: 04/08/2017</i>
EBA consults on fraud reporting requirements under PSD2	The EBA launched a public consultation on its draft Guidelines on reporting requirements on statistical data on fraud under the revised Payment Services Directive (PSD2). The Guidelines, which are addressed to payment service providers and competent authorities, are aimed at contributing to the objective of PSD2 to increase the security of retail payments in the EU. <i>Publication date: 02/08/2017</i>
EBA consults on the future EBA register under the Payment Services Directive	The EBA launched a public consultation on the draft regulatory technical standards (RTS) and implementing technical standards (ITS) on the EBA electronic central register under the Payment Services Directive (PSD2), which respectively set requirements on the development, operation and maintenance of the register and the information to be contained in it. <i>Publication date: 24/07/2017</i>
ESAs consult on amendments to technical standards on the mapping of ECAs	The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) launched a public consultation to amend the Implementing Regulations on the mapping of credit assessments of External Credit Assessment Institutions (ECAIs) for credit risk to reflect the recognition of five new credit rating agencies (CRAs) and the deregistration of one CRA. The Implementing Regulations 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). <i>Publication date: 18/07/2017</i>
EBA consults on guidelines on uniform disclosure of IFRS 9 transitional arrangements	The EBA launched a consultation on a set of Guidelines specifying a uniform format for the institutions' disclosure requirements of IFRS 9 and analogous expected credit losses (ECLs) transitional arrangements. The Guidelines aim at increasing consistency and comparability of the information disclosed by institutions during the transition to the full implementation of the new accounting standard, and at ensuring market discipline. <i>Publication date: 13/07/2017</i>

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 the implementation of the methods for calculating contributions to deposit guarantee schemes

The EBA launched a public consultation on the implementation of the EBA Guidelines on methods for calculating contributions to deposit guarantee schemes (DGSs). The draft Report assesses whether the principles outlined in the EBA Guidelines on these methods are being met in practice. It also evaluates whether there is appropriate and consistent implementation of these Guidelines.

Publication date: 03/07/2017

EBA consults on central contact points under the revised Payment Services Directive (PSD2)

The EBA launched a public consultation on draft regulatory technical standards (RTS) that specify the criteria for determining when the appointment of a central contact point under the PSD2 is appropriate and the functions that these contact points should have.

Publication date: 29/06/2017

EBA publishes Discussion Paper on the treatment of structural FX

The EBA launched a Discussion Paper on the application of the structural FX provision. The paper outlines the rationale behind the treatment of structural positions as well as broader issues related to the structural FX concept, such as the actual nature of FX risk, considering both the accounting and regulatory perspectives. It also examines in greater detail the potential inconsistencies in the articulation of the FX requirements, both in the current Capital Requirements Regulation (CRR) as well as in the CRR2 proposal for institutions applying the standardised and internal model approaches.

Publication date: 22/06/2017

EBA GUIDELINES

DESCRIPTION

EBA and ESMA provide guidance to assess the suitability of management body members and key function holders

The EBA and ESMA published their joint Guidelines to assess the suitability of members of management bodies and key function holders. These Guidelines aim to harmonise and improve suitability assessments within EU financial sectors, and to ensure sound governance arrangements in financial institutions in line with the Capital Requirements Directive (CRD IV) and the Markets in Financial Instruments Directive (MiFID II). The Guidelines highlight the importance for institutions to consider whether candidates have the knowledge, qualification and skills necessary to safeguard proper and prudent management of the institution. The Guidelines also foster more diverse management bodies and, therefore, contribute to improved risk oversight and resilience of institutions.

Publication date: 26/09/2017

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 guidance to further harmonise EU banks internal governance	<p>The EBA published its revised Guidelines on Internal Governance. These Guidelines aim at further harmonising institutions' internal governance arrangements, processes and mechanisms across the EU, in line with the new requirements in this area introduced in the Capital Requirements Directive (CRD IV) and also taking into account the proportionality principle. Effective internal governance is fundamental if individual institutions and the banking system as a whole are to operate well.</p> <p><i>Publication date: 26/09/2017</i></p>
ESAs provide guidance to prevent terrorist financing and money laundering in electronic fund transfers	<p>The Joint Committee of the ESAs published guidelines to prevent the abuse of funds transfers for terrorist financing and money laundering purposes. These guidelines are part of the ESAs' wider work on fostering a consistent approach to Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) and promote a common understanding of payment service providers' obligations in this area.</p> <p><i>Publication date: 22/09/2017</i></p>
Final Guidelines on major incident reporting under PSD2	<p>The EBA published the Final Guidelines on major incident reporting under the revised Payment Services Directive (PSD2). The Guidelines were developed in close cooperation with the European Central Bank (ECB), are addressed to all payment services providers and competent authorities in the 28 EU Member States, and contribute to the objective of the PSD2 of minimizing disruption to users, payment service providers and payment systems.</p> <p><i>Publication date: 27/07/2017</i></p>
Final Guidelines on the Authorisation of Payment Institutions	<p>The EBA published its final Guidelines on the information to be provided by applicants intending to obtain authorisation as payment and electronic money institutions as well as to register as account information service providers (AISP) under the revised Payment Service Directive (PSD2). These Guidelines are in support of the objective of the revised Payment Services Directive (PSD2) of contributing to an integrated payments market across the European Union, ensuring a consistent application of the legislative framework, and promoting equal conditions for competition.</p> <p><i>Publication date: 11/07/2017</i></p>
EBA publishes Final Guidelines on Professional Indemnity Insurance under PSD2	<p>The EBA published its final Guidelines under the revised Payment Services Directive (PSD2), on the criteria on how to stipulate the minimum monetary amount of the professional indemnity insurance (PII) or other comparable guarantee for payment initiation services (PIS) and account information services (AIS). Undertakings intending to carry out these services will need PII cover or a comparable guarantee as a prerequisite to be granted authorisation. The Guidelines, therefore, contribute to the overall objectives of PSD2, by strengthening the liability regime governing the interactions between the different actors involved in electronic payment transactions.</p> <p><i>Publication date: 07/07/2017</i></p>
Guidelines on communication between competent authorities	<p>The EBA published its final Guidelines on the communication between competent authorities supervising credit institutions and statutory auditors of those institutions.</p> <p><i>Publication date: 26/07/2016</i></p>
ESAs publish AML/CFT guidelines	<p>The Joint Committee of the ESAs published its final Guidelines on anti-money laundering and countering the financing of terrorism (AML/CFT). The Guidelines promote a common understanding of the risk-based approach to AML/CFT and set out how it should be applied. These Guidelines are part of the ESAs' wider work on fostering a consistent and effective approach to AML/CFT by both, credit and financial institutions, and AML/CFT supervisors. The Guidelines provide credit and financial institutions with the tools they need to make informed, risk-based decisions on the effective management of individual business relationships and occasional transactions for AML/CFT purposes.</p> <p><i>Publication date: 26/06/2017</i></p>

EBA TECHNICAL STANDARDS

DESCRIPTION

EBA publishes final technical standards on MREL reporting by resolution authorities

The EBA published its final draft implementing technical standards (ITS) specifying templates and procedures resolution authorities should follow when informing the EBA of the minimum requirement for own funds and eligible liabilities (MREL) that have been set for institutions under their jurisdiction. These standards will enable the EBA to monitor the consistency of MREL implementation across the EU.

Publication date: 05/09/2017

ESAs consult on amendments to technical standards on the mapping of ECAIs

The Joint Committee of the ESAs launched a public consultation to amend the Implementing Regulations on the mapping of credit assessments of External Credit Assessment Institutions (ECAIs) for credit risk to reflect the recognition of five new credit rating agencies (CRAs) and the deregistration of one CRA. The Implementing Regulations 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). The consultation runs until 18/09/2017.

Publication date: 18/07/2017

EBA publishes final standards specifying information requirements for the authorisation of credit institutions

The EBA published (i) its final draft regulatory technical standards (RTS) on the information applicants shall provide to competent authorities when applying for authorisation as credit institutions, and (ii) its final draft implementing technical standards (ITS) related to the templates to be used for the provision of such information. Overall, these final draft technical standards aim at promoting convergence of supervisory practices regarding the assessment of the applications by prescribing a common set of information to be submitted to the competent authorities whilst securing a proportionate and workable approach that takes into account differences in applicants' size and proposed business models.

Publication date: 14/07/2017

RTS on CCP to strengthen fight against financial crime

The EBA published regulatory technical standards designed to help Member States determine when payment service providers and electronic money issuers should appoint a Central Contact Point (CCP) to support the fight against money laundering and terrorist financing. These draft RTS are part of the Joint Committee's work to establish consistent and effective risk-based supervisory practices across the EU.

Publication date: 26/06/2017

ESAs publish central contact point standards in fight against financial crime

The Joint Committee of the ESAs published draft regulatory technical standards (RTS) to help Member States determine when payment service providers and electronic money issuers should appoint a Central Contact Point (CCP) to support the fight against money laundering and terrorist financing.

Publication date: 26/06/2017

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.

EBA TECHNICAL STANDARDS

DESCRIPTION

EBA publishes draft amending technical standards on CVA proxy spread

The EBA published its draft amending Regulatory Technical Standards (RTS) on credit valuation adjustment (CVA) proxy spread. These RTS propose limited amendments to the Commission Delegated Regulation (EU) No 526/2014 for determining proxy spread and limited smaller portfolios for credit valuation adjustment risk, based on two policy recommendations contained in the EBA's CVA report, published on 25 February 2015. Through the proposed amendments the EBA expects to ensure a more adequate calculation of own funds requirements for CVA risk.

Publication date: 21/06/2017

EBA OPINIONS

DESCRIPTION

EBA issues Opinion on the design of a new prudential framework for investment firms

The EBA published an Opinion on the design and calibration of a new prudential framework for investment firms, which is specifically tailored to the needs of investment firms' different business models and inherent risks. The Opinion includes a series of recommendations aiming to develop a single and harmonised set of requirements that are reasonably simple, proportionate and relevant to the nature of investment firms authorised to provide MiFID services and activities.

Publication date: 29/09/2017

EBA issues Opinion on measures to address macroprudential risk

The EBA published an Opinion following the notification by the Finnish Financial Supervisory Authority (FIN-FSA) of its intention to modify capital requirements in order to address an increase in macroprudential risk, based on Article 458 of the Capital Requirements Regulation (CRR).

Publication date: 01/08/2017

ESAs advise on Packaged Retail and Insurance-Based Investment Products with environmental or social objectives

The ESAs submitted their Technical Advice to the European Commission to set minimum requirements, which manufacturers of packaged retail and insurance-based investment products with environmental or social objectives (EOS PRIIPs) should comply with to ensure that they offer products that meet the retail investors' needs.

Publication date: 28/07/2017

EBA publishes its Opinion in response to the European Commission intention to amend the EBA Technical Standards for open and secure electronic payments under the PSD2

The EBA published an Opinion responding to the European Commission's (EC) intention to amend the EBA's draft Regulatory Technical Standards (RTS) on strong customer authentication and common and secure communication. In its Opinion, while agreeing with the aims sought in the EC's amendments, the EBA voices its disagreement with three of the four concrete amendments the Commission proposes on the basis that it would negatively impact the fine trade-off and balances previously found in the RTS.

Publication date: 29/06/2017

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.

Reports and other notable publications


EBA PUBLICATION	DESCRIPTION
The EBA CRDIV CRR Basel III monitoring exercise shows further improvement of EU banks capital leverage and liquidity ratios	<p>The EBA published its 12th Report of the CRDIV-CRR/Basel III monitoring exercise on the European banking system. This exercise presents aggregate data on EU banks' capital, leverage, and liquidity ratios assuming full implementation of the CRD IV-CRR/Basel III framework. Overall, the results, based on data as of 31 December 2016, show a further improvement of European banks' capital positions, with a total average Common Equity Tier 1 (CET1) ratio of 13.4% (12.8% as of 30 June 2016). This exercise does not reflect any BCBS standards agreed since the beginning of 2016 or any other measures currently being considered by the BCBS.</p> <p><i>Publication date: 12/09/2017</i></p>
EBA Reports on funding plans and asset encumbrance	<p>The EBA published two reports on EU banks' funding plans and asset encumbrance respectively. The reports aim to provide important information for EU supervisors to assess the sustainability of banks' main sources of funding. The results of the assessment show that banks plan to increase their lending and to expand deposits as well as market based funding</p> <p><i>Publication date: 31/07/2017</i></p>
ESAs Joint Board of Appeal decides on FinancialCraft Analytics appeal against ESMA registration decision	<p>The Joint Board of Appeal of the ESAs published its decision in an appeal brought by FinancialCraft Analytics Sp. z o.o. (formerly named Global Rating Sp. z o.o.) against a decision of ESMA.</p> <p><i>Publication date: 20/07/2017</i></p>
EBA amends Decision on the quality of unsolicited credit assessments of certain ECAIs for the assignment of risk weights	<p>The EBA published a revised Decision confirming the quality of unsolicited credit assessments assigned by certain External Credit Assessment Institutions (ECAIs) for calculating institutions' capital requirements. The revised Decision, which reflects the recognition of five additional ECAIs and the de-registering of one ECAI, is part of the Single Rulebook in banking and will ensure regulatory harmonisation across the European Union (EU) regarding the use of unsolicited credit ratings for determining institutions' own funds requirements.</p> <p><i>Publication date: 18/07/2017</i></p>
EBA updates on the impact of IFRS 9 on banks across the EU and highlights current implementation issues	<p>The EBA published a Report including some qualitative and quantitative observations of its second impact assessment of IFRS 9. This exercise, which follows up on the first impact assessment published in November 2016, has confirmed the EBA's initial observations on the stage of preparation for the implementation of IFRS 9 and the estimated impact of IFRS 9 on regulatory own funds.</p> <p><i>Publication date: 13/07/2017</i></p>

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.

EBA PUBLICATION	DESCRIPTION
EBA publishes Report on consumer data and identifies a number of applicable requirements under EU law	<p>The EBA published a Report presenting the conclusions of its assessment on the topic of innovative uses of consumer data by financial institutions. The Report looks at both the risks and potential benefits of this innovation and identifies a number of requirements under EU law applying to financial institutions, which mitigate many of the risks identified by the EBA. The Report concludes that no additional, industry-specific legislative or regulatory requirements are needed at present, but the EBA will continue to monitor closely this innovation. The Report encourages cooperation between supervisory authorities across all relevant policy areas and contributes to fostering a consistent supervisory approach to innovation in the financial sector.</p> <p><i>Publication date: 28/06/2017</i></p>
EBA publishes 2017 consumer trends report	<p>The EBA published its annual consumer trends report for 2017. The Report covers the retail banking products that fall in the EBA's consumer protection mandate, including mortgages, personal loans, deposits, payment accounts, payment services and electronic money. The report also provides an overview of the topical issues identified in 2017 that may impact consumers and other market participants, namely indebtedness, banking fees and costs, selling practices, innovation in payments, foreign currency loans, alternative financial services providers, and innovative uses of consumer data.</p> <p><i>Publication date: 28/06/2017</i></p>
EBA publishes Discussion Paper on the treatment of structural FX	<p>The EBA launched a Discussion Paper on the application of the structural FX provision. The paper outlines the rationale behind the treatment of structural positions as well as broader issues related to the structural FX concept, such as the actual nature of FX risk, considering both the accounting and regulatory perspectives. It also examines in greater detail the potential inconsistencies in the articulation of the FX requirements, both in the current Capital Requirements Regulation (CRR) as well as in the CRR2 proposal for institutions applying the standardised and internal model approaches. The consultation runs until 22 September 2017.</p> <p><i>Publication: 22/06/2017</i></p>
2016 Annual Report	<p>The EBA published its 2016 Annual Report, which provides a detailed account of all the work the Authority achieved in the past year and anticipates the key areas of focus in the coming years.</p> <p><i>Publication date: 15/06/17</i></p>
EBA issues 2018 EU-wide stress test methodology for discussion	<p>The EBA published its 2018 EU-wide stress test draft methodology and templates for discussion with the industry. The exercise will cover 70% of the EU banking sector and will assess EU banks' ability to meet relevant supervisory capital ratios during an adverse economic shock. The methodology covers all relevant risk areas and, for the first time, will incorporate IFRS 9 accounting standards. The results will inform the 2018 Supervisory Review and Evaluation Process (SREP), challenging banks' capital plans and leading to relevant supervisory outcomes. The exercise will also provide enhanced transparency so that market participants can compare and assess the resilience of EU banks on a consistent basis. The list of institutions participating in the exercise is also released.</p> <p><i>Publication date: 07/06/17</i></p>

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