



EBA BS 2020 212 rev. 1

Board of Supervisors

23 March 2020/16:00-18:00

Location: teleconference

EBA-Regular Use

Board of Supervisors meeting – Final 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).
2. None of the BoS Members declared any conflict of interest.

Conclusion

3. The BoS approved the agenda of the meeting.

Agenda item 2: Exchange of views on measures taken by Member States or Competent Authorities

4. The Chairperson informed the BoS that the EBA staff have launched an information collection exercise last week on the national measures taken or envisaged by the governments and competent authorities (CAs).
 5. The EBA Director of Banking Markets, Innovation and Consumers Department (BMIC) briefly summarised responses received from 18 CAs on capital and liquidity measures; debt repayment suspensions; potential adjustments in lending standards; potential changes in NPE and default definitions; application of IFRS9, and expected impact on profitability of banks, level of NPLs and business continuity. He mentioned that many CAs introduced measures on capital liquidity and almost half of the responding CAs confirmed some form of debt suspension measures, six of them public measures.
 6. The SRB representative asked if the list of measures could be shared with the BoS and the Director of BMIC confirmed that the EBA was planning to circulate the list by the end of the week after checking details with SCOP.
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7. The ECB Banking Supervision representative referred to dividends suspensions and the Director of BMIC agreed to request more details on this issue in the list of measures.
8. Several Members updated on their recent national measures.
9. The Chairperson asked the Members to submit their responses, if not done already, without further delays and concluded that the list, even if dynamic and changing given the circumstances, would be shared with the BoS by the end of the week.

Agenda item 3: EBA stance on the prudential implications of actions taken to address the situation

10. The Chairperson introduced the item by summarising the note submitted to the conference call together with a statement on the definition of default, forbearance, IFRS and related Covid-19 measures. He also mentioned coordination with ESMA and the EBA's intention to publish its statement in the coming days.
11. The EBA Director of Prudential Regulation and Supervisory Policy Department (PRSP) continued by stressing the flexibility in the regulatory framework.
12. The BoS supported the publication of the statement. Several Members stressed the importance of the general direction of the note that accuracy of risk metrics is key.
13. On the public and private moratoria, several Members stressed that they should not be treated differently. In this regard, a couple of Members suggested that the EBA would examine, monitor and even approve the private moratoria. One Member pointed out that private moratoria which should be allowed need to be documented. This Member stressed that transparency in this respect was very important and that some kind of regulation was needed. He concluded by saying that EBA should take here a coordinating role. The BoS agreed that the EBA should draft guidelines to address this issue and respective transparency issues/requirements in this context as well.
14. The EC representative supported one statement from the ESAs, or closely coordinated statements from the EBA and ESMA.
15. The Chairperson concluded by acknowledging the broad support for the statement and agreed that the EBA would amend the statement to clearly include the reference to the need to work on GL for general moratoria (state and private moratoria); to stress that risks need to be properly measured, while being conscious of a risk based approach and operational capability; to align closely with ESMA on the IFRS9 and to expand the reference to 'reasonable and supportable information' in the context of the current uncertainty. To that end, the BoS Members were asked to send their drafting suggestions by noon on 24 March 2020. Finally, he concluded that EBA would immediately develop draft guidelines providing guidance of the criteria for private moratoria to be considered equivalent as public moratoria in the regulatory context. These draft guidelines would be discussed in another BoS conference call.

Conclusion

16. The BoS agreed to publish the statement on the definition of default, forbearance, IFRS and related Covid-19 measures after the BoS written comments.

Agenda item 4: Payments and Consumer Protection Concerns

17. The Chairperson briefly introduced the statement on consumer protection and payments in the Covid-19 crisis.
18. The Director of BMIC continued by highlighting that the statement focused on the adoption of appropriate measures to contribute to the protection of consumers and the orderly functioning of payment services across the EU.
19. The BoS supported the publication of the statement. Some Members requested more flexible wording on the increase of limits for contactless payments to 50 EUR per transaction. The EC representative stressed that the threshold should be raised only where possible and up to the limit allowed under EU law. One Member questioned the use of the wording “financial wellbeing”.
20. The Chairperson concluded by referring to the discussion and agreed that the EBA would amend the statement in order to circulate it to the BoS for written comments after the conference call.

Conclusion

21. The BoS agreed to publish the statement on consumer protection and payments in the Covid-19 crisis after the BoS written comments.

Agenda item 5: EBA alternatives in an emergency situations

22. The Chairperson informed the BoS about the existing crisis management tools that were available to the EBA (in particular, Article 18 (action in emergency situations), Article 9(5) (temporary prohibitions and restrictions)) and the new tool in Article 9c (no action letters) introduced by the ESAs Review.
23. The EBA Head of Legal Services (Legal) continued by briefly explaining each of the tools, noting the need first to identify the action that the EBA wanted to take in order to identify the appropriate tool, while also being aware of the time it could take to activate crisis management powers in a fast-moving situation.
24. One Member was of the view that given the complexity of the crisis management powers, they considered no action letters as the most appropriate tool if the EBA wanted to support departing from current regulatory requirements. He also highlighted a need for coordinating between the ESAs. Another Member noted the EBA’s coordination role and was of the view

that the EBA should consider carefully before seeking to have its emergency powers activated, and in particular would need to identify what it would use the powers to do that it cannot already do.

25. The Chairperson concluded that the crisis management tools were best used in coordination with the other ESAs and ESRB. At this stage the EBA did not see useful measures that required use of the powers but the situation could change and therefore should be kept under review.

Agenda item 6: AOB

26. The Chairperson reminded the BoS of the next meeting on 28 and 29 April. He mentioned that the EBA was considering holding a teleconference instead of a physical meeting and in this regard, the EBA might launch several written procedures on technical issues which would be otherwise discussed during the meeting.

Participants of the Board of Supervisors' conference call

23 March 2020

Chairperson: Jose Manuel Campa

<u>Country</u>	<u>Voting Member/High-Level Alternate</u> ¹	<u>National/Central Bank</u>
1. Austria	Helmut Ettl	Karin Turner-Hrdlicka
2. Belgium	Jo Swyngedouw	
3. Bulgaria	Stoyan Manolov	
4. Croatia	Martina Drvar/Sanja Turkovic Petrinic	
5. Cyprus	Stelios Georgakis	
6. Czech Republic	Zuzana Silberová/Marcela Gronychová	
7. Denmark	Jesper Berg	Peter E. Storgaard
8. Estonia	Andres Kurgpold	Timo Kosenko
9. Finland	Anneli Tuominen/Jyri Helenius	Katja Taipalus
10. France	Dominique Laboureix/Emmanuelle Assouan	
11. Germany	Raimund Roeseler	Erich Loeper
12. Greece	Spyridoula Papagiannidou	
13. Hungary	Csaba Kandrac/Gergely Gabler	
14. Ireland	Gerry Cross	
15. Italy	Andrea Pilati	
16. Latvia	Ludmila Vojevoda	Vita Pilsuma
17. Lithuania	Marius Jurgilas/Jekaterina Govina	
18. Luxembourg	Christiane Campill/Martine Wagner	Christian Friedrich
19. Malta	Christopher Buttigieg/Pierre Paul Gauci	Oliver Bonello
20. Netherlands	Maarten Gelderman/Sandra Wesseling	
21. Poland	Artur Ratasiewicz/Kamil Liberadzki	
22. Portugal	Ana Paula Serra/ Luís Costa Ferreira	
23. Romania	Nicolae Cinteza	
24. Slovakia	Tatiana Dubinova	
25. Slovenia	Primoz Dolenc/Damjana Iglic	
26. Spain	Angel Estrada/Alberto Rios	
27. Sweden	Karin Lundberg	Camilla Ferenius

Iwona Schab (KNF); Jose Rosas, Pedro Pereira, Inês Drummond (Banco de Portugal); Luca Bregantin (SRB); Phil Evans, Nigel Fray (Bank of England)

<u>Country</u>	<u>Member</u>	<u>Representative NCB</u>
1. Iceland	Finnur Sveinbjörnsson	
2. Liechtenstein		
3. Norway	Ann Viljugrein	

<u>Observer</u>	<u>Representative</u>
1. SRB	Sebastiano Laviola

<u>Other Non-voting Members</u>	<u>Representative</u>
1. ECB/SSM	Korbinian Ibel, Fatima Pires
2. European Commission	Martin Merlin
3. EIOPA	Kai Kosik, Sandra Hack
4. ESMA	Roxana De Carvalho
5. EFTA Surveillance Authority	Marco Uccelli
6. ESRB	Toumas Peltonen

EBA Staff

Acting Executive Director, Director of Operations	Peter Mihalik
Director of Banking Markets, Innovations and Consumers	Piers Haben
Director of Economic Analysis and Statistics	Mario Quagliariello
Director of Prudential Regulation and Supervisory Policy Department	Isabelle Vaillant

Philippe Allard; Dirk Haubrich; Lars Overby; Jonathan Overett Somnier; Delphine Reymondon

Tea Eger

For the Board of Supervisors

Done at Paris on 29 April 2020

signed

José Manuel Campa

EBA Chairperson