

WORK PROGRAMME 2024

SEPTEMBER 2023

EBA/Rep/2023/33

EBA

EUROPEAN
BANKING
AUTHORITY

TABLE OF CONTENTS

TABLE OF CONTENTS	2
LIST OF ABBREVIATIONS	3
EXECUTIVE SUMMARY	4
1. EBA PRIORITIES	6
1.1. The EBA’s strategic priorities for 2024 – 2026	6
1.2. Priorities for the 2024 Work programme	7
1.2.1. P1 2024 – Implement Basel framework in the EU and enhance the Single Rulebook	8
1.2.2. P2 2024 – Monitor financial stability and sustainability in a context of increased interest rates and uncertainty	9
1.2.3. P3 2024 – Provide a data infrastructure at the service of stakeholders	10
1.2.4. P4 2024 –Develop an oversight and supervisory capacity for DORA and MiCAR	11
1.2.5. P5 2024 – Increase focus on innovation and consumers (including access to financial services) while preparing the transition to the new AML/CFT framework	12
2. ACTIVITIES IN 2024	14
2.1. Policy and convergence work	14
2.2. Risk assessment and data	29
2.3. Governance, coordination and support	35
ANNEX I: ORGANISATION CHART–	41
ANNEX II: RESOURCE ALLOCATION PER ACTIVITY 2024	42
ANNEX III: PEER REVIEW PLAN 2024-25	44

LIST OF ABBREVIATIONS

ACP	EBA Advisory Committee on Proportionality	IFD/R	Investment Firm Directive/Regulation
AML/CFT	Anti-money laundering/countering the financing of terrorism	IFRS	International Financial Reporting Standard
AMLA	Anti-money laundering authority	IMF	International Monetary Fund
AI	Artificial intelligence	IRB	Internal ratings-based
ART	Asset-referenced token	IRRBB	Interest rate risk in the banking book
AST	Assistant	IT	Information technology
BCBS	Basel Committee on Banking Supervision	ITS	Implementing technical standards
BoS	Board of Supervisors	JC	Joint Committee
BRRD	Banking Recovery and Resolution Directive	KPI	Key performance indicator
CA	Competent authority	LCR	Liquidity coverage ratio
CRD	Capital Requirements Directive	LFS	Legislative financial statement
CRR	Capital Requirements Regulation	MFF	Multi-annual financial framework
CSD	Credit Servicers and Credit Purchasers Directive	MiCAR	Markets in Crypto-assets Regulation
DGSD	Deposit Guarantee Scheme Directive	ML/TF	Money laundering/terrorist financing
DORA	Digital Operational Resilience Act	MREL	Minimum requirement for own funds and eligible liabilities
EBA	European Banking Authority	NCA	National competent authority
EC	European Commission	NPL	Non-performing loan
ECA	European Court of Auditors	PSD2	Revised Payment Services Directive
ECB	European Central Bank	Q&A	Questions and answers
EFIF	European Forum of Innovation Facilitators	RTS	Regulatory technical standards
EFTA	European Free Trade Association	SA	Standardised approach
EMAS	Eco-Management and Audit Scheme	SDFA	Supervisory Digital Finance Academy
EIOPA	European Insurance and Occupational Pensions Authority	SNE	Seconded national expert
EP	European Parliament	SPD	Single Programming Document
ESA	European supervisory authority	SREP	Supervisory review and evaluation process
ESMA	European Securities and Markets Authority	STS	Simple, transparent, and standardised
ESG	Environmental, social and governance	TA	Temporary agent
ESRB	European Systemic Risk Board	TBC	To be confirmed
EU	European Union	TLAC	Total loss-absorbing capacity
EUCLID	European centralised infrastructure for supervisory data	TTP	Third-party provider
FinTech	Financial technology	VAT	Value-added tax
GL	Guidelines		
HR	Human resources		
ICT	Information and communication technology		

EXECUTIVE SUMMARY

1. The EBA's work programme defines and structures how the authority intends to fulfil its mission and mandates in a most efficient manner for the year ahead. The EBA tasks stem from agreed or prepared EU legislations and from its founding regulation. Those need to be tackled in line with the broader Union priorities and strategies for the financial sector which are reflected in five overarching priorities defined for the EBA at the horizon of 2026 in the areas of the EU Single Rulebook, financial risk identification, data, third-party and crypto-asset service provision, and conduct.
2. The present work programme builds on a first draft approved by the EBA's Board of Supervisor in January 2023 as part of the authority's single programming document for years 2024 to 2026. It was complemented and adjusted in the light of the developments observed during the first half of 2023.¹ It also takes into account guidance received from the authority's Advisory Committee on Proportionality in July 2023.
3. In 2024, the EBA will again need to address a very large number of mandates dealing with a wide range of financial sector aspects, both from a policy development and a risk quantification and assessment perspective. The ongoing implementation of the EU banking package (CRR III / CRD VI) will represent an important part of the authority's work. Quantifying and assessing evolving risks in the financial sector will also require running regular analyses and refining key risk metrics and tools, for instance through advanced stress-testing approaches. In that regard, the impact on the European financial sector of a tightening of financial conditions and of rising geopolitical tensions observed since 2022 will require special attention. Finally, contributing to an orderly environmental transition and embedding innovation in the financial sector will be no less demanding. All this will require adequate liaison and cooperation with EU and non-EU stakeholders.
4. In addition, the EBA will continue to prepare for structural changes to its role. Firstly, with EIOPA and ESMA, it will keep devising a joint oversight regime for critical third-party IT service providers which should enter into force in January 2025 (DORA). Secondly, it will also build-up capacity to also be in a position to supervise significant crypto-asset providers by the same time horizon (MiCAR). Thirdly, it will complete its work in the area of AML-CFT and support the transition to a new EU framework and authority (AMLA).
5. As the EBA will be operating with broadly unchanged human and financial resources in 2024, it needs to reap as many internal and external synergies as possible, and to carefully prioritise and redeploy. The present work programme benefits from changes introduced in the organisation in recent years to make it more flexible, to strengthen its planning capabilities, and to ensure it can use modern and efficient technology. As in previous years, the finalisation of key legislations and developments in the financial sector may however require the EBA to depart from its initial plans in order to best respond to evolving circumstances and requests.

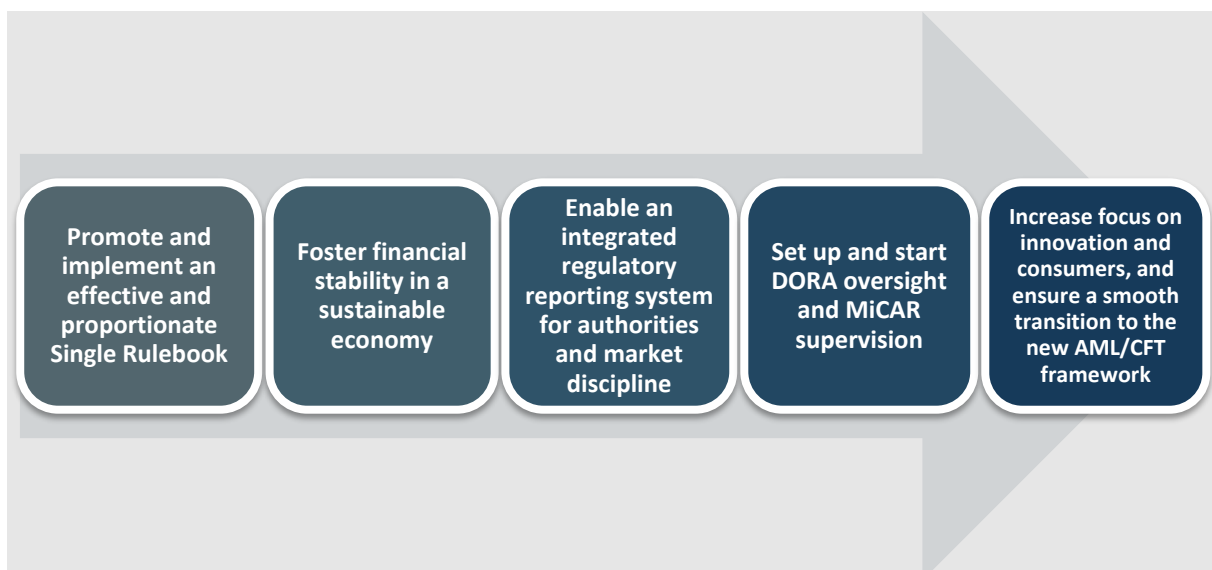
¹https://www.eba.europa.eu/sites/default/documents/files/document_library/About%20Us/Missions%20and%20tasks/Single%20Programming%20Document/1051950/EBA%202024-2026%20SPD.pdf

6. The document is organised as follows. The EBA’s priorities are exposed in **Chapter 1**, with a brief overview of the priorities for 2024-2026 followed by a more detailed presentation of priorities in 2024. **Chapter 2** then sets out the 19 activities that the EBA will carry out in 2023. Those are grouped in three categories: policy and convergence work, risk assessment and data, governance coordination and support. Each activity is linked to one or several priorities. The objectives and a short description of the activity are indicated, as well as the main outputs to be delivered and by when. The EBA’s 2024 work programme is complemented by **three annexes**: an organisation chart, the resource allocation per activity, the peer review plan for 2024-25.

1. EBA PRIORITIES

1.1. The EBA's strategic priorities for 2024 – 2026

7. In line with its founding regulation, the EBA defines its triennial work programme on the basis of its existing and foreseeable mandates, as well as the outlook for the financial services sector. In the draft Single Programming Document for 2024-2026 published in January 2023, the EBA sets out its medium term, strategic objectives and areas of work for the authority, the actions envisaged to achieve the objectives, and how the progress in the achievement of the objectives will be monitored.
8. For the years 2024-2026 the EBA has identified the following five medium-term strategic objectives

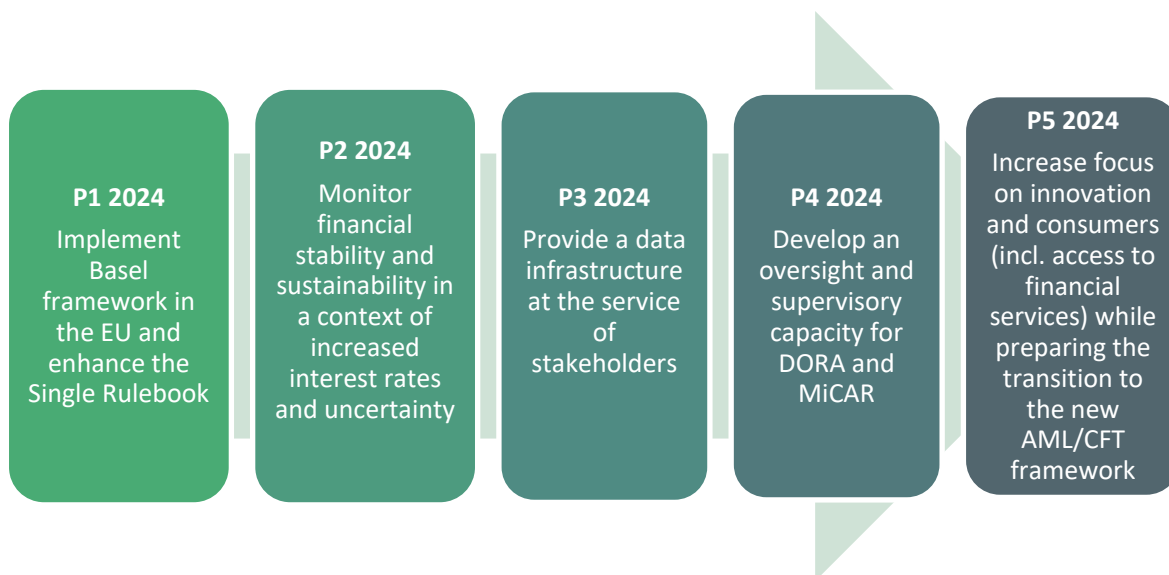


9. These medium-term objectives help structure the authority's work and keep sufficient focus internally over time. They support the internal allocation of resources and sequencing of the work. While the EBA is committed to delivering on all its mandates, careful differentiation in how this will be done is also necessary. The fact that one mission does not explicitly appear in one of these priorities does not imply that it won't be discharged or that it is less important, but simply that the need to specifically focus on it is or has become lesser. In particular, the authority does not mention convergence work or advice to Commission as those two roles are considered as sufficiently well established.
10. It is moreover noted that the priorities may need to be further refined as the year progresses in light of the current environment marked by a substantial uncertainty in economic outlook, persistent inflation, market volatility and heightened geopolitical tensions. Hence a significant degree of flexibility is required to allow the EBA to respond swiftly to changes or new developments. Similarly, the European elections in 2024 and the priorities to be adopted by the new incoming European Commission may require adjustments to the EBA's work programme for the year to come and beyond.

11. These objectives also facilitate communication with external stakeholders, and engagement with them in delivering on the activities involved.

1.2. Priorities for the 2024 Work programme

12. Following on from the multi-annual priorities for 2024-2026, the EBA has adapted its strategic priorities for its work programme for the year ahead.



13. In particular, the turmoil observed on financial markets, in particular in March 2023 with the demise of US and Swiss banks, have raised concerns on possible weaknesses in the global financial system and the risk of contagion for European banks. Moreover, the global macroeconomic outlook, driven by geopolitical risks heightened by the Russian war against Ukraine, the increased inflation in the EU and the rise of interest rates in the EU and the US require an increased effort on financial stability assessment and monitoring by the EBA of EU financial institutions in general.
14. At the same time, much of the focus for 2024 will substantially remain on continuing the Basel implementation in the EU and on enhancing the Single Rulebook, as well as monitoring financial stability and ESG sustainability by analysing risks and preparing for the 2025 stress test exercise. This will also be supported by the efforts to provide a data infrastructure that is at the service of stakeholders.
15. Then 2024 will be crucial to prepare to important changes affecting the EBA: the preparation for the taking up of new responsibilities for the oversight of ICT-third-party service providers and the supervision of crypto asset issuers, for which capacities need to be developed. Secondly, the authority will prepare the transfer of specific AML-CFT related powers and mandates to the new EU AML/CFT Authority (AMLA) and at the same time increase focus on innovation, consumers (incl. access to financial services).
16. Striving to deliver on the many mandates conferred to it by the EU legislators, the EBA's work and deliverables have been prioritised and scheduled, in the light of the tasks stemming from the EBA's founding regulation as well as those reflecting ongoing legislative and regulatory work.

17. The work plan is derived from the multi-annual work programme and its strategic objectives / priorities. It takes into account the Peer Review work plan and the Union-wide strategic priorities and also benefitted from input of the Advisory Committee on Proportionality
18. On this basis the authority defines its annual priorities, organises its activities and deliverables and how to best allocate its resources. In doing so, the work programme also clarifies how activities contribute to strategic objectives / priorities, all the while providing transparency and accountability towards the EBA's stakeholder. The EBA annual work programme was/is submitted to the EU institutions by 30 September 2023 and published as an independent report, on the basis of a refined proposal from the MB to be endorsed by the EBA's BoS.
19. As before, the priorities help the authority to structure its work and focus. They support the allocation of resources and the sequencing of the work, while the EBA is committed to delivering on all its mandates. The fact that one mission does not specifically appear in the priorities does not imply that it won't be discharged or that it is less important, but simply that it may require less specific or direct focus. In particular, the authority does not mention convergence work or advice to Commission as those two roles are considered as sufficiently well established.
20. Feedback from the Advisory Committee on Proportionality (ACP) has also been reflected in the respective priorities and in the activities that contribute to achieving them. The ACP recommendations, for 2024, focused on credit risk, reporting and transparency, stress testing, and regulatory impact assessments.

1.2.1. P1 2024 – Finalise the Basel implementation in the EU and enhance the Single Rulebook

21. The EBA will prioritise its contribution to the timely and faithful implementation of the outstanding Basel III reforms in the EU to ensure banks can withstand future crises and to preserve a proper functioning of the European and global financial systems. This reform will strengthen the regulatory framework by introducing more risk-sensitive approaches for determining capital requirements, and address shortcomings in the existing framework, including through an 'output floor' which will serve as a backstop for the use of internal models. At the same time, this will contribute to completing the Single Rulebook in banking.
22. At this juncture, it is expected that the negotiations of the CRR/CRD package will be completed in 2023. There is however still uncertainty as to the exact number of mandates the EBA will receive to develop regulatory standards and guidelines, which started from around 100 in the initial proposal and reached c. 125 in the final stages of the legislative discussions, with many of those possibly due by the end of 2024 (either in the form of consultation papers or even as final (draft) deliverables. Given that the negotiations are still ongoing, the EBA is not in a position to give full clarity in this version of the work programme, and may provide an updated version at a later stage.
23. In the context of the CRR/CRD package the EBA will take into consideration the recommendation of the ACP to ensure that the regulatory products and guidance it delivers are drafted in a way that is consistent with and uphold the principle of proportionality, reduce compliance costs

without damaging the prudential objectives. The ACP views that the development of RTS, ITS, GL and Q&As could reflect proportionality by (i) setting different scopes, (ii) aiming for less complex regulation, (iii) using easy language and (iv) having the implementation impact for small and medium-sized banks in mind. In particular the ACP recommended that the EBA further addresses proportionality in the credit risk framework given its relevance for banks' balance sheets regardless of size, range of activity and level of complexity.

24. For the development of the Single Rulebook, in all areas, the ACP also recommended the EBA ensures that proportionality considerations remain at the core of impact assessments that accompany the regulatory products and guidance.

KPI

	Indicator (and type)	Weight	Short description	Target
A	Number of technical standards, guidelines, reports delivered (Output)	80%	Number of technical standards, guidelines and reports delivered on time stemming from implementation of the or CRR III / CRD VI / BRRDIII	80%
B	Number of technical standards, guidelines, reports delivered – ESG (Output)	20%	Number of ESG-related technical standards, guidelines, reports and responses to CFA stemming from the mandates in the EU regulations and directives and from the renewed Sustainable Finance Strategy of the EC delivered on time.	80%

1.2.2. P2 2024 – Monitor financial stability and sustainability in a context of increased interest rates and uncertainty

25. Within this priority, an increased focus will be put on the impact of rising interest rates on the real economy in general and the banking sector in particular, in a context of increased inflation and possible credit crunch due to a tightening of credit standards and risk adverse behaviour.
26. Based on the EU-wide stress test run in 2023, the EBA will continue to monitor financial / ESG risk with a view to informing supervisory priorities. Following the 2023 exercise and the lessons learned, including from the introduction of top-down elements for Net Fee and Commission Income (NFCI), the EBA will assess the need for changes to its methodology for the 2025 exercise. The ACP recommended in this context that the EBA reflects on introducing supplementary proportionality considerations in its stress test work. The EBA will also develop a climate stress test, including the one-off cross-sector climate stress test.
27. The EBA will continue building its ESG risk monitoring framework to be able to efficiently monitor ESG risks in the banking sector and development of the green financial market. This will include gradual increased use of external ESG risk relevant data with a focus on environmental risks.
28. The authority will also continue to deliver on mandates included in the CRD, CRR, IFD, IFR and those stemming from the Commission's action plan and renewed Sustainable Finance Strategy, as well as pursue its contributions to the European and international work.

KPI

Indicator (and type)	Weight	Short description	Target
A Achievement of milestones ahead of the upgrade of ST methodology and development of a hybrid model (Output)	40%	1. Approval of the revised EU-wide stress test framework by Q1 2024 2. Design of the new ST methodology by end-2024 3. Implementation of the revised EU-wide stress test framework for the 2025 exercise.	70%
B Development and execution of one-off and regular climate stress test (Output)	40%	1. Development of one-off climate stress test and regular climate stress test 2. Implementation of one-off fit-for-55 climate scenario analysis 3. Implementation of regular climate stress test	70%
C Topical notes in the area of financial stability or ESG risks (Output / Results)	20%	Development of one topical note or deliverable per year on subjects of relevance in the area of financial stability or ESG risks (e.g. research piece, sensitivity analysis, ...)	Topical note or deliverable

1.2.3. P3 2024 – Provide a data infrastructure at the service of stakeholders

29. The implementation of the EBA's Data Strategy will improve the way regulatory data is acquired, compiled, used, and disseminated to relevant stakeholders, and will strengthen the authority's analytical capabilities. The EBA will continue to leverage on its EUCLID platform to enable data flows between diverse endpoints and provide access to high-quality, curated data and insights to internal and external stakeholders by employing more advanced technical capabilities, with the objective to foster the ingestion and dissemination of critical data assets, insights and analytics policies as well as to implement the Pillar 3 data hub requested by the level 1 legislation. In 2024 the EBA will also finalise implementation of improved data point model and methodology (the DPM standard 2.0) to ensure the EBA data dictionary is fit for future challenges of reporting and digital processing. The EBA will start producing reporting frameworks, including the DPM releases, the full validation rules lifecycle, the support of data calculations and the creation of XBRL taxonomy packages with the Digital Regulatory Reporting (DRR) tools. Both the DPM standard 2.0 and DRR tools were developed jointly with EIOPA. In the context of its work on Reporting and Transparency the EBA will duly consider the proposals that the ACP deems critical from the perspective of proportionality and with a view to a reduction of the reporting burden and the cost of compliance.

KPI

Indicator (and type)	Weight	Short description	Target
A Timeliness of reporting (ratio %) (Results / Impact)	25%	From EUCLID: Accepted modules / Expected modules, by remittance date (T)+10 wd	>85%
B Completeness of reporting (ratio %) (Results / Impact)	25%	From EUCLID: Not reported / Expected templates, by remittance date (T)+10 wd	<1%
C Accuracy of reporting (ratio %) (Results / Impact)	25%	From EUCLID: Failed error rules / Total of error rules executed against the received file, by remittance date (T)+15 wd	< 0.25%
D Time to publication of Quarterly Risk Dashboard (nr days) (Results / Impact)	25%	Working days from final remittance date of supervisory data (based on EBA's DC 404) to date of publication on EBA's webpage of RDB	< 30

1.2.4. P4 2024 –Develop an oversight and supervisory capacity for DORA and MiCAR

30. DORA entered into force on 16 January 2023 and will apply from 17 of January 2025. MiCAR entered into force on 29 June 2023 with the date of application ranging from 12-18 months following entry into force. In 2024, the EBA, together with the other ESAs (where necessary), will continue to deliver the policy mandates included in MiCAR and DORA, thereby contributing to the digital risk management dimension of the Single Rulebook and to a consistent framework for the regulation and supervision of crypto-asset activities.
31. Regarding DORA the ESAs will be responsible collectively to deliver 13 legal mandates mainly by July 2024 taking into consideration for a number of these the recommendations of the Joint ESA ACP, and subsequently take up their new roles and tasks. In particular, the EBA will need to be ready early to the start oversight activities over critical ICT third-party providers (TPPs) for which it will be assigned as a Lead Overseer. This includes preparations for the establishment of the Oversight Forum (a new Joint-Committee sub-committee) and the Joint Oversight Network (ESAs only), the development of oversight framework (including policies and methodologies) and the recruitment of ICT experts to equip the cross-ESAs oversight team. A new IT system will need to be developed to support the EBA's oversight function, in particular the information for the purposes of the designation of critical TPPs. A joint-ESAs implementation plan has been drawn up covering oversight preparation which will be executed jointly by the ESAs given the collective role assigned by DORA. During 2024, the cross-ESAs oversight team will focus on the establishment of relevant oversight processes and the definition of core methodologies. To build operational and ICT risk capacities internally during the execution phase of the implementation plan, the EBA will offer in-house trainings, leverage on the EU Supervisory Digital Finance Academy and other available trainings to build competences to manage DORA related activities for ESAs and CAs. The EBA will also seek to offer training for staff on oversight techniques, policies and procedures.
32. Under MiCAR the EBA will be responsible for delivering 20 technical standards and guidelines in 2024 (two of which are joint with ESMA, and one is joint with ESMA and EIOPA). The policy mandates will expand on the common single rulebook for crypto-asset issuance and service provision in the EU established by MiCAR, for example by further specifying capital requirements for issuers of asset-referenced tokens. Importantly, the EBA will need to be ready from end-Q4 2024 to supervise issuers of significant asset-referenced and e-money tokens, for which the EBA will need to develop in 2023 and 2024 supervisory policies and procedures and forms, templates for the exchange of information between all relevant parties (including supervised issuers, national competent authorities, the ECB and other relevant central banks) and supervisory handbook. IT capabilities will need to be developed to support the EBA's supervision function and a new Crypto-Assets Standing Committee will need to be established to facilitate the performance of its supervision tasks. In 2024 the EBA will also place special emphasis on promoting supervisory convergence in the area of crypto and MiCAR authorisation and supervision across the authorities through a dedicated Coordination Group, and also strengthening supervisory capacity-building, in particular by further extending training for staff, and by organising workshops with NCAs on supervisory techniques for crypto-asset issuer supervision.

KPIs

	Indicator (and type)	Weight	Short description	Target
A	Delivery of policy mandates under DORA/MiCAR (Output)	50%	Delivery of policy mandates within the legally imposed timeline	95%
B	Operational readiness to take up new tasks (Output / Result)	50 %	As part of the DORA and MiCAR , EBA should be ready to take up new tasks (supervision, oversight and others)	Completion of preparatory work

1.2.5. P5 2024 – Increase focus on innovation and consumers (including access to financial services) while preparing the transition to the new AML/CFT framework

33. In 2024, the EBA will further enhance conduct supervision of financial institutions and strengthen competent authorities' ability to tackle financial crime risks across its regulatory and supervisory remit. It will also contribute to ensuring that citizens have access to financial and banking services and focus on consumer protection mandates given by MiCAR and the Credit Servicers and Credit Purchasers Directive.
34. The EBA will continue to monitor financial innovation and identify areas where further regulatory or supervisory response may be needed. Crypto-assets, tokenisation in relation to new financial products and services and decentralised finance and the application of AI/ML in financial sector, as well as digital identities management are EBA's priority areas for further investigation in innovative applications. Also digital platforms, supervisory and regulatory technologies (SupTech and RegTech) are examples of innovations that are currently on the EBA's innovation monitoring radar. By keeping a close eye on recent developments via targeted industry and competent authorities' surveys, information exchanged with industry, competent authorities and other EU and international organisations helps to identify emerging risks and opportunities for the industry, supervisors and the EBA and provide guidance on areas where further work by the EBA may be needed. EBA will support EC on work related to other topics related to digital finance.
35. In 2024, the EBA together with ESMA, EIOPA and the European Commission, will continue to support the activities of EU Supervisory Digital Finance Academy, with a view to strengthening supervisory capacity in innovative digital finance, and supporting the objectives of the EU Digital Finance Strategy.
36. Through 2024, the EBA will work closely with competent authorities and the European Commission to facilitate the transition to the EU's new legal and institutional AML/CFT framework. As part of this, the EBA will prepare the transfer of data, knowledge and powers to AMLA; support national competent authorities in their preparatory work; provide technical advice to the European Commission as necessary; and help to put in place the gateways necessary to make the effective cooperation between prudential and AML/CFT supervisors and regulators possible going forward. At the same time, the EBA will continue to foster the implementation of robust approaches to tackling ML/TF, sanctions and other financial crime risk across the EU, in line with its legal mandate and until AMLA will exercise fully its mandate and powers.

37. The AMLA is currently expected to be established in 2024. The EBA will adjust its work programme as necessary once the date of establishment is known. This may mean that planned deliverables will be re-prioritised.

KPIs

	Indicator (and type)	Weight	Short description	Target
A	Delivery of consumer protection mandates conferred in sectoral legislation (Output)	40%	The EBA will deliver on 4 consumer protection mandates conferred under the Markets in Crypto-Assets (MiCAR), and the Credit Servicers and Credit Purchasers Directive (CSD)	75%
B	Effective retail conduct supervision to enhance protection of consumers (Result / Impact)	20%	The EBA will take action in response to information provided through retail risk indicators and the EBA's Consumer Trend Reports 2022/23.	1 initiative
C	Policy response and supervisory convergence in financial innovation (Result / Impact)	20%	The EBA will deploy its mandate in monitoring innovation, contributing to a common approach towards new or innovative financial activities, and in providing advice to the co-legislators, by: (i) issuing number of thematic publications, incl. opinions or report issued to EC and CAs; (ii) fostering knowledge sharing via various platforms (EBA structures, EFIF, SDFA); (iii) reviewing and verifying training curriculum of the SDFA	Up to 3 initiatives 100 % reviewed materials for SDFA
D	Supporting the effective transition to the new legal and institutional AML/CFT framework (Output / Result)	20%	The EBA will work closely with competent authorities and the Commission to ensure the smooth transition of powers, knowledge and mandates to AMLA, and effective cooperation between prudential and AML/CFT regulators going forward.	2 reports

2. ACTIVITIES IN 2024

38. In the following, the EBA sets out its activities and deliverables for the year 2024 in order to accomplish the aforementioned objectives.
39. The activities are presented under a streamlined approach, which is aimed to better deliver its objectives and to foster synergies across teams.
40. Across the 19 activities, the work programme comprises 337 tasks or mandates, of which 195 are of an ongoing nature and 142 are linked to specific delivery dates (given as the quarter of 2024 that is targeted).

2.1. Policy and convergence work

Activity 1 – Capital, loss absorbency, and accounting

Contributing to priority	<div style="border: 1px solid black; padding: 2px;">P1</div>	Lead Directorate: Prudential Regulation and Supervisory Policy (PRSP) Lead unit: LILLAC
Objectives	<p>1) Monitor implementation of regulatory provisions on capital and loss absorbency and provide related reports and guidance.</p> <p>2) Monitor developments of EU and international levels in the field of accounting and auditing standard setting</p>	
Description	<p>Robust quality of capital for the EU institutions and consistent implementation of the regulatory provisions stemming from the CRR and the regulatory technical standards developed by the EBA are the main objectives. The EBA will continue monitoring Common Equity Tier 1 (CET1) issuances and maintaining a public list of CET1 instruments. In addition, in order to monitor financial innovation and to keep the terms and conditions of issuances as simple as possible, the EBA will regularly engage in dialogue with numerous stakeholders to follow developments and provide guidance in the area of capital and capital issuances (AT1, Tier 2 and TLAC/MREL instruments in particular).</p> <p>Total loss-absorbing capacity (TLAC)/MREL is a requirement for a given bank to hold a sufficient amount of own funds and debt instruments of a certain quality in order to absorb losses and recapitalise the institution to ensure that it can continue to perform critical functions in the event of failure. This requirement is to be set for each bank at the parent and relevant subsidiary levels by the relevant resolution authorities, in line with both the BRRD and the regulatory standards developed by the EBA. In the context of the policy work on MREL, the EBA will perform a number of tasks, such as providing guidance and views on the documentation of issuances.</p> <p>To support high-quality accounting and auditing standards, the EBA monitors and contributes to regulatory developments at EU and international levels in the field of accounting and auditing standard setting, including developing guidelines and recommendations in areas where accounting may impinge on the prudential framework; more generally assess interactions between the accounting and prudential frameworks, including prudential consolidation.</p>	
Main output	<p><i>Capital and loss absorbency</i></p> <ul style="list-style-type: none"> Maintenance of the EBA CET1 list and update of the CET1 report under article 80 CRR 	Ongoing

Activity 1 – Capital, loss absorbency, and accounting

- Monitoring of – and report on – CET 1, AT 1 and T2 issuances (including for ESG purposes)
- Analysis of interactions within loss absorbency requirements and stacking order
- Support on Q&A on capital and eligible liabilities instruments
- Monitor of – and report on-- TLAC/MREL eligible liabilities issuances under Article 80 CRR, as well as for ESG purposes
- Follow up implementation of the EBA Opinion on legacy instruments (in particular in the context of the CRR II grandfathering provisions)
- Follow-up implementation of RTS on own funds and eligible liabilities (permission regime in particular)
- Monitor the impact of the interest rate environment on own funds and eligible liabilities aspects (e.g. on the valuation of non-equity instruments)
- Findings on stacking order and capital buffers

Accounting and audit

- Monitor and promote consistent application of IFRS 9 and work on the interaction with prudential requirements
- Continue work on the modelling aspects of IFRS 9 and their related impact on capital, using a benchmarking exercise, as per the roadmap² supporting proper appropriation by supervisors and integration in the general benchmarking exercise
- Monitor the quantitative impact of the application of IFRS 9 through selected indicators
- Continue working on / monitoring consolidation aspects
- Monitor accounting standards and comment letters to the International Accounting Standards Board, where needed
- Deliver regulatory products and technical advice requested by the Commission
- Monitor the impact of the changes of the interest rate environment on accounting related aspects
- Support on QA on accounting and consolidation

Capital and loss absorbency

- Updated monitoring reports (CET1, AT1, TLAC/MREL) as far as needed, also depending on market developments

Accounting and audit

- Preparation of the report to the EU Commission on completeness and appropriateness of provisions on consolidation
- Update RTS on Own funds and eligible liabilities and RTS on methods of consolidation, where needed, depending on CRR III amendments
- GLs specifying the activities that are a direct extension of banking, activities ancillary to banking, and similar activities

TBC

Activity 2 – Liquidity, leverage, and interest rate risk

Contributing to priority



Lead Directorate: Prudential Regulation and Supervisory Policy (PRSP)
Lead unit: LILLAC

² <https://eba.europa.eu/sites/default/documents/files/documents/10180/2551996/ccbf23ae-4b1a-4af7-bb5e-44d51ae58dfb/Roadmap%20for%20IFRS%209%20deliverables.pdf?retry=1>

Activity 2 – Liquidity, leverage, and interest rate risk

Objectives	<p>1) Monitor implementation of regulatory provisions on liquidity, leverage risk and interest rate risk and provide related guidance.</p> <p>2) Continue engagement with stakeholders on measurement and definition of supervisory metrics/tests, in particular in relation to net interest income</p>
Description	<p>In the area of liquidity (also encompassing asset encumbrance-related matters), the EBA keeps the ITS on reporting up-to-date, following changes to the Level 1 texts in particular, and will continue to provide support to supervisors as needed so that they are well equipped to monitor liquidity risks in banks. In terms of implementation, the EBA is scrutinising the ways in which institutions and CAs have implemented the CRR and RTS provisions, for example in terms of notifications and the use of national options and discretions, using ongoing monitoring of the practical implementation and providing guidance where necessary.</p> <p>The leverage ratio allows CAs to assess the risk of excessive leverage in their respective institutions. The EBA is working on regular updates of technical standards on reporting and disclosure of the leverage ratio.</p> <p>In terms of interest rate risk in the banking book (IRRBB) the EBA will continue to monitor the implementation of the products delivered in 2022 (one Guidelines and two RTS) and follow up on its close scrutiny plans on the impact of the new interest rate environment on IRRBB management and modelling underlying assumptions. In this context, the EBA will continue its reflections with stakeholders on the measurement and definition of supervisory metrics/tests, in particular in relation to net interest income.</p>
Main output	<p><i>Liquidity risk</i></p> <ul style="list-style-type: none"> • Deliver regulatory products and update reporting liquidity requirements as needed • Monitor national practices on liquidity and national options and discretion, in particular monitoring the concrete implementation of the liquidity coverage ratio (LCR) rules and definitions • Monitoring of – and report on - LCR implementation • Monitoring of interdependent assets and liabilities for the net stable funding ratio (NSFR) under Art. 428f of the CRR • Monitoring of interdependent assets and liabilities for the LCR under Art. 26 LCR DA <p>• Monitoring of notifications related to liquidity and follow-up actions</p> <p>• Update the list of credit institutions exempted from the 75% inflow cap under Article 33(5) of the LCR Delegated Act</p> <p>• Support Q&A on liquidity risk</p> <p><i>Leverage ratio</i></p> <ul style="list-style-type: none"> • Monitor/promote consistent application (incl. notifications and follow-up actions), update requirements as needed • Support Q&A on leverage ratio <p><i>Interest rate risk in the banking book</i></p> <ul style="list-style-type: none"> • Monitoring of the implementation of the RTS and GLs related to IRRBB and follow up on scrutiny plans • Support on Q&A on IRRBB

Ongoing

Activity 2 – Liquidity, leverage, and interest rate risk

Interest rate risk in the banking book

- Possible updates of the regulatory products and any additional supervisory guidance as needed following the scrutiny plans and implementation of the regulatory package on IRRBB

TBC

Activity 3 – Credit risk (incl. large exposures, loan origination, NPL, securitisation)

Contributing to priority

P1

Lead Directorate: Prudential Regulation and Supervisory Policy (PRSP)
Lead unit: RBM

Objectives

- 1) Deliver at least 80% of the number of technical standards, guidelines, reports and as set out below
- 2) Deliver EBA Roadmap on CRR III / CRD VI in line with timelines given therein (Roadmap to be published once negotiations are finalised) – taking into consideration the recommendations of the ACP

Description

The EBA's work on credit risk will focus on preparing the development of technical standards, GL and reports regarding the calculation of capital requirements under the SA and the internal ratings-based (IRB) approach for credit risk (excluding the trading book business) under CRR III / CRD VI, once approved by European co-legislators. The preparation of regulatory products and guidance will also take into consideration the recommendation of the ACP addresses proportionality in the credit risk framework given its relevance for banks' balance sheets regardless of size, range of activity and level of complexity, with particular focus as a starting point on the standardised approach for credit risk, while the proportionality related to the Internal ratings based approach (IRBA) could be addressed in supervisory discussions.

In addition, it will continue its monitoring efforts on credit risk related issues, in particular through the EBA benchmarking exercise of internal models and the mapping of ratings from external rating agencies. On large exposures, the EBA will monitor the implementation of the regulatory products developed under the amended CRR II provisions.

The EBA will continue to support strengthened loan origination and NPL management practices by contributing to implementation of the European Commission action plan for tackling non-performing loans (NPLs) and supporting the implementation of the directive on credit servicers and credit purchasers.

Regarding securitisation and covered bonds, the emphasis will increasingly be on the prudential rules for the treatment of origination and holding of securitisation positions, in addition to monitoring the implementation of the covered bonds directive. In addition, legislative work may also be given to EBA, as part of the ongoing review of the securitisation framework.

Main output

- Support the implementation of the Basel III credit risk framework in EU and deliver Basel III-related and other CRR/CRD mandates³ A separate roadmap is envisaged, once clarity on the mandates given to EBA as part of the CRR III/ CRD VI legislative process exists.

Credit risk

Ongoing

- Maintain credit risk-related lists, including lists identifying the eligibility of public-sector enterprises and regional governments for the credit risk framework, and *mapping of ECAIs +*

³ More details to be provided once the negotiations are finalised.

Activity 3 – Credit risk (incl. large exposures, loan origination, NPL, securitisation)

- Monitor and promote the consistent application of credit risk and credit risk modelling, including the implementation of the IRB roadmap and possible revisions due to CRR III / CRD VI

Loan origination

- Monitor the implementation of the EBA's loan origination GL

NPL

- *Follow up on the work and mandates in the NPL directive +*
- Follow up on the EU action plan for tackling NPLs in Europe

Securitisation and covered bonds

- Monitor market development and promote the consistent application of frameworks on securitisation and covered bonds
- Implement the Covered Bonds Directive, including monitoring reports
- Support on Q&A on credit risk, large exposures, and securitisation and covered bonds

Credit risk

- *2023 benchmarking report on IRB models +*

Securitisation and covered bonds

Q1

- Monitoring report on capital treatment of STS synthetics
- Monitoring report on collateralisation practices

Credit risk

- *GL on calculation of K IRB for dilution and credit risk +*
- *Preparation of 2025 benchmarking portfolios – update of ITS (including aspects related to IFRS9) +*
- *Peer review on definition of default +*
- Follow-up on peer review on NPEs

Q2

Credit risk

- GL specifying the terms substantial cash deposits, appropriate amount of obligor-contributed equity, significant portion of total contracts and substantial equity at risk – CP
- GL specifying the methodology institutions shall apply to estimate IRB-CCF – CP
- RTS on criteria that institutions shall assign to off-balance sheet items – CP

TBC

CRR III / CRD VI Roadmap

- Deliver according to roadmap provided once the negotiations are finalised

Securitisation and covered bonds

- Call for Advice on revision of Covered Bond Directive - preparatory work

+ Delivery of tasks marked with a + may be subject to review in light of redeployment of resources and reprioritisation that is required in order to address DORA and MiCAR mandates. Tasks may be postponed, cancelled or undertaken with less intensive resource input.

Activity 4 – Market, investment firms and services, and operational risk

Contributing to priority

P1

Lead Directorate: Prudential Regulation and Supervisory Policy (PRSP)
Lead unit: RBM

Objectives

1) Deliver at least 80% of the number of technical standards, guidelines, reports and as set out below

Activity 4 – Market, investment firms and services, and operational risk

2) Deliver EBA Roadmap on CRR III / CRD VI in line with timelines given therein (Roadmap to be published once negotiations are finalised) – taking into consideration the recommendations of the ACP

Description	<p>The work on market risk focuses on the development of technical standards, GL and reports regarding the calculation of capital requirements for market risk, credit valuation adjustment and counterparty credit risk (CCR). Market risk can be defined as the risk of losses in on- and off-balance-sheet positions that arise from adverse movements in market prices. From a regulatory perspective, market risk stems from all the positions included in banks' trading books, as well as from commodity and foreign exchange risk positions in the whole balance sheet.</p> <p>Introduction of the new market risk regime, as part of CRR III / CRD VI, builds on the previous implementation in CRR II and CRD V of the regime as an EU reporting requirement. Consequently, the 2019 EBA roadmap on the implementation of the FRTB⁴ in EU continues to set out the EBA priorities in this area. It is, however, clear that further mandates may be given to the EBA during the legislative process in implementing the Basel standards in EU and the EBA will continue to carefully monitor developments.</p> <p>The work on investment firms will focus on the finalisation of the remaining mandates stemming from the new regulatory regime for investment firms (IFR/IFD), as well as on developing a response to the European Commission's Call for Advice.</p> <p>In addition, the EBA's work in relation to operational risk focuses on the monitoring of regulatory operational risk requirements and preparatory work for the implementation of the new operational risk framework, the Standardised Measurement Approach, which is part of the final Basel III framework.</p>
Main output	<ul style="list-style-type: none"> • Regular updates to the list of diversified stock indices, including any additional relevant indices and applying the ITS quantitative methodology • Monitor and promote consistent application of market risk requirements, including the finalisation of phase IV in the EBA roadmap on the implementation of FRTB in EU • Support the implementation of the Basel III market risk, CVA and CCR framework, and operational risk in the EU • Delivery of Basel III-related and CRR/CRD mandates as regards FRTB, CVA, CCR and securities financing transactions • Monitor and promote the consistent application of operational risk and investment firms' requirements • <i>Work on market infrastructures (EMIR/CSDR-related) +</i> • Support on Q&A on market risk, market infrastructure and CCR, operational risk, and investment firms <p style="text-align: right;">Ongoing</p> <hr/> <p><i>Market risk</i></p> <ul style="list-style-type: none"> • 2023 benchmarking report on market risk models <p style="text-align: right;">Q1</p> <p><i>Investment firms</i></p> <ul style="list-style-type: none"> • GL on group capital test <hr/> <p><i>Market risk</i></p> <ul style="list-style-type: none"> • <i>Preparation of the 2025 benchmarking portfolios – update of ITS +</i> • RTS on extraordinary circumstances for being permitted to continue using the IMA <p style="text-align: right;">Q2</p>

⁴ [https://www.eba.europa.eu/sites/default/documents/files/documents/10180/2844544/ab272ad0-f256-4d70-9563-376e1d772feb/EBA roadmap for the new market and counterparty credit risk approaches.pdf?retry=1](https://www.eba.europa.eu/sites/default/documents/files/documents/10180/2844544/ab272ad0-f256-4d70-9563-376e1d772feb/EBA%20roadmap%20for%20the%20new%20market%20and%20counterparty%20credit%20risk%20approaches.pdf?retry=1)

Activity 4 – Market, investment firms and services, and operational risk

- RTS on material extensions and changes under the IMA
- RTS on extraordinary circumstances for being permitted to limit the backtesting add-on
- GL on the meaning of exceptional circumstances for the reclassification of a position

Investment firms

- Call for Advice on IFD/IFR

Operational risk

Q4

- ITS on mapping Business Indicator components (BIC) to FINREP
- RTS establishing a risk taxonomy of OpRisk loss events

Operational risk

- RTS on the elements to calculate the Business Indicator components (BIC) – CP
- RTS on adjustments of the BIC – CP
- RTS on calculation of aggregated losses above 750k and unduly burdensome exemption

Market risk

TBC

- RTS on FX and commodity risk in the BB
- RTS on assessment methodology for market risk
- RTS on assessment of risk factor modellability under the IMA
- RTS on backtesting and P&L Attribution test (PLA)

CRR III / CRD VI Roadmap

- Deliver according to roadmap provided once the negotiations are finalised

Activity 5 – Market access, governance, supervisory review and convergence

Contributing to priority



Lead Directorate: Prudential Regulation and Supervisory Policy (PRSP)
Lead unit: SuRRR

Objectives

- 1) Monitor implementation of provisions on market access, governance, supervisory review and convergence and provide related reports and guidance.
- 2) Deliver at least 80% of the number of technical standards, guidelines, reports and as set out below
- 3) Deliver EBA Roadmap on CRR III / CRD VI in line with timelines given therein (Roadmap to be published once negotiations are finalised) - taking into consideration the recommendations of the ACP

Description

In 2024 the EBA will also take care of the mandates that the forthcoming CRD VI will confer concerning internal governance, new supervisory tools (assessment of acquisition of material holdings, assessment of material transfers of assets and liabilities, assessment of mergers) and the implementation of a new 3rd country branches regime, ensuring for this latter timely developments of the standards focusing on authorisation.

The EBA will continue monitoring the regulatory perimeter and authorisation practices and the establishment of third-country branches and the Intermediate Parent Undertaking (IPU) framework.

Activity 5 – Market access, governance, supervisory review and convergence

In the areas of governance and remuneration, Directive 2013/36/EU requires that institutions have robust governance arrangements, including a clear organisational structure; well-defined lines of responsibility; and effective risk management processes, control mechanisms and gender neutral remuneration policies, that includes specific requirements for risk takers (identified staff). Similar requirements apply to investment firms under Directive (EU) 2019/2034. The internal governance should be appropriate for the nature, scale and complexity of the institution or the investment firm. In the area of remuneration, the EBA is required in this context to monitor and benchmark remuneration trends and practices. The EBA is also asked to monitor and benchmark diversity practices at EU level.

The EBA will monitor the implementation of the GL for the supervisory review and evaluation process (SREP) and with consideration, on the one hand to the recommendations made by the ACP in this respect, and on the other to the role of the ICAAP in the determination of the capital add-ons. This will also rely on the EBA's ongoing assessment of supervisory practices through the setting of the European Supervisory Examination Program (ESEP) and the monitoring of its implementation, also through the EBA participation in supervisory colleges.

The EBA will also start preparatory works for future updates of the SREP GLs also in light of the forthcoming CRD VI and to ensure more articulated and proportional consideration of ESG and ICT risks, further clarifications related to IRRBB and CSRBB, possible update of the market risk section in view of FRTB, better coordination with the recovery plan. Where appropriate, efforts towards streamlining of the Guidelines will be made.

Support to Basel and FSB work

- Monitor and promote consistent application of internal governance and remuneration requirements under CRD and IFD
- Q&A on market access, internal governance and remuneration, supervisory review
- Together with the other European Supervisory Authorities, establishment of a system for exchange of information regarding fit & proper assessments (Article 31a ESAs Regulation)

Ongoing

Internal governance and remuneration

- Report on the application of gender neutral remuneration policies by banks (CRD) – initially envisaged in 2023
- Report on the application of gender neutral remuneration policies by investment firms (IFD) – initially envisaged in 2023
- GL on the assessment of adequate knowledge and experience of the management or administrative organ of credit servicers under CSD

Main output

Q2

SREP and supervisory convergence

- Report on Convergence of Supervisory Practice and on colleges in 2023 (including European Supervisory Examination Programme)
- 2025 European Supervisory Examination Programme

Internal governance and remuneration

- *Report on the application of waivers for remuneration requirements (CRD) + - initially envisaged in 2023*

Q3

SREP and supervisory convergence

- Peer review on proportionality in the application of the SREP
- Follow-up on peer review on ICT risk

Activity 5 – Market access, governance, supervisory review and convergence

Internal governance and remuneration


- Report on gender pay gap (Article 75 CRD) Q4
- Report on Benchmarking and High earners (CRD and IFD) +

CRR III / CRD VI Roadmap

- Deliver according to roadmap provided once the negotiations are finalised TBC

+ Delivery of tasks marked with a + may be subject to review in the light of the redeployment of resources and reprioritisation that is required in order to address DORA and MiCAR mandates. Tasks may be postponed, cancelled or undertaken with less intensive resource input.

Activity 6 – Recovery and resolution

Contributing to priority		Lead Directorate: Prudential Regulation and Supervisory Policy (PRSP) Lead unit: SuRRR	
Objectives		1) Monitor secondary legislation and identify areas for review 2) Monitor convergence in the implementation of identified topics of the resolution framework through the EREP	
Description		<p>The authority will keep focusing on critical elements of the secondary legislation that may be in need of review on the basis of the practical experience gained and continue exploring transparency and disclosure topics, while adding possible work to increase the usability and flexibility of resolution plans, In this context consideration will also be given to earlier recommendations of the ACP on proportionality. Specific focus will also be devoted to the organisation of crisis simulation exercises, also considering the wider role foreseen for the EBA in the proposal adopted by the European Commission on the Crisis Management and Deposit insurance framework.</p> <p>The EBA will continue to monitor convergence in the implementation of identified topics of the resolution framework through the EREP (European Resolution Examination Program) exercise, developed in parallel to the similar exercise performed for the prudential framework. The EBA will continue to monitor the building up of MREL resources in the European banking sector.</p> <p>In the context of crisis preparedness, the EBA will continue to monitor evolving practices in relation to recovery planning, focusing in particular on improving the usability of the recovery plans also through appropriate testing, their content with specific focus on liquidity options and the determination of the overall recovery capacity and its interaction with SREP. It will maintain its focus on the crisis management continuum and on the quality of cooperation between supervisory and resolution authorities, with due consideration of proportionality as suggested by the ACP.</p>	
Main output		<ul style="list-style-type: none"> • Work on recovery and resolution planning (including review of plans, operationalisation of resolution tools, resolvability assessment...) • Monitoring convergence in the area of resolution • Q&A on BRRD-related issues 	Ongoing
		<ul style="list-style-type: none"> • Report on convergence in the area of resolution • Review of the Handbook on valuation • 2025 European Resolution Examination Programme 	Q3

Activity 6 – Recovery and resolution

- Quantitative report monitoring the build-up of MREL resources in the EU Q4
- Handbook on crisis simulation exercise

Activity 7 – ESG in supervision and regulation

Contributing to priority	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid black; padding: 2px 5px;">P1</div> <div style="border: 1px solid black; padding: 2px 5px;">P2</div> </div>	Lead Directorate: Economic and Risk Analysis (ERA) Lead unit: ESGR	
Objectives	<p>1) Deliver at least 80% of the number of ESG-related technical standards, guidelines, reports and responses to CfA in line with prescribed deadlines - taking into consideration the recommendations of the ACP</p> <p>2) Deliver on 2024 tasks of the EBA Roadmap on sustainable finance and conduct work on 2025 tasks</p>		
Description	<p>The EBA will continue to deliver on mandates included in the EU regulations and directives and those stemming from the Commission’s renewed Sustainable Finance Strategy, as well as pursue its contributions to international work (particularly via the Platform on sustainable finance, Basel Committee, Network for Greening the Financial System).</p> <p>The EBA will continue building its ESG risk assessment tools to enable efficient monitoring of ESG risks in the banking sector and development of the green financial market, with a primary focus on environmental risks.</p> <p>The EBA will pay particular attention to maintaining the principle of proportionality when delivering these mandates, taking into considerations the recommendations of the ACP.</p>		
Main output	<ul style="list-style-type: none"> • Deliver on the EBA Roadmap on sustainable finance • Fulfill the sustainable finance-related mandates received in EU regulations/directives • Responses to the Commission’s requests to provide reports and advice on sustainable finance-related topics • Support for implementation of requirements, (in particular contributing to joint ESAs work on mandates under SFDR) • Support on Q&As on ESG issues • Building up ESG risk assessment and monitoring tools • Contributing to European and international activities in this area (including Platform on Sustainable Finance, BCBS Taskforce on Climate Related Risks, NGFS) 		Ongoing
	• Call for Advice (CfA) on greenwashing - final report		Q2
	• Annual report under Article 18 SFDR		Q3
	• Pillar 1 follow-up report (pending CRR III mandate and deadline)		Q4
	• Guidelines on ESG risk management (pending CRR III deadline)		TBC


Activity 8 – Innovation and Fintech

Contributing to priority	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid black; padding: 2px 5px;">P4</div> <div style="border: 1px solid black; padding: 2px 5px;">P5</div> </div>	Lead Directorate: Innovation, Conduct and Consumers (ICC) Lead unit: DF	
---------------------------------	--	--	--

Activity 8 – Innovation and Fintech

Objectives	Monitor financial innovation and identify areas where regulatory or supervisory response might be needed in order to contribute to common supervisory approach and provide advice to the co-legislators	
Description	<p>The EBA will continue to monitor financial innovation and identify areas where further regulatory or supervisory response may be needed in order to promote consistency in regulatory and supervisory expectations.</p> <p>The EBA will also continue engaging with industry, competent authorities and other EU and international organisations to identify emerging risks and opportunities for the industry, supervisors and the EBA. The EBA will also identify areas and provide guidance on areas where further work by the EBA may be needed.</p> <p>The EBA will conduct research and issue thematic publications to build knowledge, promote convergence, and identify regulatory gaps or obstacles relating to financial innovation. To strengthen supervisory capacity in innovative digital finance, the EBA together with ESMA and EIOPA will be partnering with the European Commission to the activities of EU Supervisory Digital Finance Academy.</p>	
Main output	<ul style="list-style-type: none"> Contribute to and foster common regulatory/supervisory approaches in digital finance topics (e.g. AI, supervisory technologies (SupTech), crypto-assets, distributed ledger technology, legislative initiatives related to other digital finance topics) through knowledge-sharing and awareness raising activities with EU and national competent authorities via the EBA FinTech Knowledge Hub (workshops, roundtables, seminars) and the European Forum for Innovation Facilitators (EFIF) Activities based on work program of the EFIF for 2024 Activities related to the EU Supervisory Digital Finance Academy 	Ongoing
	<ul style="list-style-type: none"> Follow up work related to the financial innovation priorities including tokenisation and DeFi, application of AI/ML in financial sectors, digital identities managements, including by clarifying supervisory expectations on specific use cases, where deemed necessary 	Q4

Activity 8 continued – DORA

Contributing to priority		Lead Directorate: Innovation, Conduct and Consumers (ICC) Lead unit: DF
Objectives	<ol style="list-style-type: none"> Deliver policy mandates within the set deadlines and taking into consideration the recommendations of the Joint ESA ACP Complete preparatory work to take-up the new tasks conferred to the EBA/ESAs (oversight of critical third party providers) 	
Description	Based on the joint-ESAs DORA implementation plan, in 2024 the main outputs will be the 12 legal mandates envisaged in DORA– with due consideration for a number of these of the recommendations of the Joint ESA ACP - and part of the ESRB recommendation on EU-SCICF. Moreover, preparatory activities will be ongoing to get ready for the EBA/ESAs’ new role (e.g. oversight tasks). The EBA will continue its work to ensure that the regulatory framework for ICT, security risk and cyber-resilience is well-implemented and in line with the DORA requirements, including with consistent supervisory practices. More specifically, following	

Activity 8 continued – DORA

	the completion of level 2 and level 3 policy mandates the EBA will review and if necessary update existing guidelines that are affected by DORA. This work will start in 2024 and will continue through 2025. The EBA will continue to provide input to the work of international standard-setters in the area of operational resilience.	
	<ul style="list-style-type: none"> • Set-up of oversight function under DORA and preparation of supporting documentation and processes • Set-up of other tasks under DORA, such as incident reporting and financial cross-sector exercises • ESRB Recommendation on EU-SCICF⁵ A(2) – mapping and analysis of impediments, legal and other operational barriers for the development of the EU-SCICF 	Ongoing
	<ul style="list-style-type: none"> • RTS on specifying the elements and components of ICT risk management framework • RTS on simplified ICT risk management framework • RTS to specify the policy on ICT services • RTS on criteria for the classification of ICT-related incidents 	Q1
Main output	<ul style="list-style-type: none"> • RTS to specify threat led penetration testing aspects • RTS to specify elements when sub-contracting critical or important functions • RTS on specifying the reporting of major ICT-related incidents • Guidelines on the aggregated annual costs and losses caused by major ICT incidents • ESRB recommendation on EU-SCICF A(1) – gradual development of pan-European systemic cyber incident coordination framework • GL on cooperation between ESAs and CAs regarding the structure of the oversight • RTS to specify information on oversight conduct • Feasibility report for centralisation of incident reporting through an EU Hub 	Q3

Activity 8 continued – MiCAR

Contributing to priority	P4	Lead Directorate: Innovation, Conduct and Consumers (ICC) Lead unit: DF
Objectives	<ol style="list-style-type: none"> 1) Delivery of policy mandates within the set deadlines 2) Completion of preparatory work to take-up the new tasks conferred to the EBA (e.g. supervision of significant asset-referenced tokens and e-money tokens and other tasks) 3) Promoting convergence of authorisation and supervision practices 	
Description	The Regulation on markets in crypto-assets (MiCAR entered into force on 29 June 2023. Pursuant to MiCAR, the EBA is mandated to deliver 20 policy mandates and to perform supervisory tasks in relation to issuers of significant asset-referenced tokens and significant e-money tokens. Furthermore EBA has to perform other tasks such as issuing opinions, at	

⁵ Recommendations of the European Systemic Risk Board on a pan-European systemic cyber incident coordination framework for relevant authorities (https://www.esrb.europa.eu/pub/pdf/recommendations/esrb.recommendation220127_on_cyber_incident_coordination~0ebcbf5f69.en.pdf)

Activity 8 continued – MiCAR

the request of NCAs, on the regulatory classification of crypto-assets and promote convergence of authorisation and supervision practices.

Looking beyond MiCAR, the EBA will continue its monitoring of crypto-asset market developments, including decentralised finance (DeFi) and crypto-asset staking and lending, with a view to continuing to promote consistency in regulatory and supervisory approaches across the EU and will assist EC for any follow up work related to MiCAR review.

The EBA will also continue to provide inputs to the work of international standard-setters, including relevant workstreams of the BCBS, FATF and FSB.

	<ul style="list-style-type: none"> • Monitor crypto-asset markets and developments and assisting EC for any follow up work related to MiCAR review • Set-up of supervisory function under MiCAR and preparation of supporting documentation and processes. • Set-up of other tasks under MiCAR, such as classification of crypto assets and product intervention powers • Promote convergence of authorisation and supervision practices through a dedicated Coordination Group 	Ongoing
Main output	<ul style="list-style-type: none"> • RTS white paper • RTS on information to be submitted in an application for authorisation to issue Asset Referenced Tokens (ARTs) • ITS on information to be submitted in an application for authorisation to issue ARTs • GL suitability members of the management body and qualifying holdings (issuers of ARTs and CASPs) (joint mandate with ESMA) • RTS on use of ARTs and EMTs referencing a non-EU official currency as a means of exchange • ITS on use of ARTs and EMTs referencing a non-EU official currency as a means of exchange • RTS to specify requirements, templates and procedures for handling complaints by issuers of ARTs • RTS conflicts of interest • GL governance arrangements • RTS own funds and stress testing • RTS liquidity (reserve assets ARTs) • RTS highly liquid financial instruments • RTS acquisitions of qualified holdings (QHs) • RTS supplemental requirements for issuers of significant ARTs • GL stress testing • GL on recovery plans • GL on redemption plans • RTS supervisory colleges 	Q2
	<ul style="list-style-type: none"> • GL on classification of crypto-assets (joint ESA mandate) 	Q4

Activity 9 – Payment services, consumer and depositor protection

Contributing to priority

PS

Lead Directorate: Innovation, Conduct and Consumers (ICC)
Lead unit: COPAC

Objectives

1) Deliver consumer protection mandates from the Credit Services Directive and MiCAR

Activity 9 – Payment services, consumer and depositor protection

2) Take follow-up up action in response to the findings of the Consumer Trends Report 2022/23 on arrears and payment fraud and the EBA’s retail risk indicators

Description

The EBA contributes to efficient, secure and easy retail payments across the EU, by continuing to contribute to the common interpretation and supervision of the relevant EU Directives and Regulations, in particular the revised Payment Services Directive (PSD2), and the 12 mandates the EBA had developed in support of the Directive

The EBA seeks to foster a consistent level of consumer protection in all EU Member States by identifying and addressing consumer detriment in the banking sector, monitoring and assessing the retail conduct of financial institutions in relation to the retail banking products in its regulatory remit, delivering the mandates conferred to it in EU law, and contributing to supervisory convergence and consistent consumer outcomes. As indicated under activity 3, the EBA also continues to support the implementation of the Directive on credit servicers and credit purchasers, such as on complaints handling procedures and the maintenance of national registers.

Furthermore, the EBA contributes to enhanced depositor protection by supporting the EU Commission, Council and Parliament in progressing the revised Deposit Guarantee Scheme Directive (DGSD) through the legislative process and prepares for the delivery in 2025/26 of the mandates expected to be conferred on the EBA. The EBA also contributes to depositor protection in the event of a bank failure, facilitates cross-border cooperation between deposit guarantee schemes (DGSs), and acts as a hub for DGS data collection and analysis, monitoring the financing and resilience of DGSs.

Main output

Payment services:

- Support on Q&As on PSD, EMD, and IFR;
- Support the EU Commission, EU Council and EU Parliament during the negotiations of the revised PSD3/PSR and monitor evolution of mandates foreseen for the EBA;

Depositor protection:

- Monitor liquidations in the EU with a DGS pay-out;
- Assessment of notifications received under DGSD;
- Monitor the negotiations of the revised Deposit Guarantee Scheme Directive (DGSD), including the evolution of 12+ mandates expected to be conferred on the EBA;
- Answers to questions the EBA receives on DGSD through the EBA Q&A tool;

Consumer Protection:

- Support on Q&As on MCD, PAD and CCD

Payment services:

- Publish and assess most recent payment fraud data

Consumer Protection:

- Assessment of the impact on the EBA of the revision of the EU Consumer Credit Directive,

Payment services:

- Follow-up on 2022 EBA Peer Review on the authorisation of PIs and EMIs under PSD2

Depositor protection:

- Publication on the uses of DGS funds, including in bank failures, and data on covered deposits and financial means available to DGSs

Consumer Protection:

Ongoing

Q1

Q2

- Final Guidelines on national registers under the Credit Servicers Directive
- Final Guidelines on complaints handling under the Credit Servicers Directive
- Report on cost and performance of the EU structured deposits in 2024

Consumer Protection:

- Follow-up work to the EBA Consumer Trends Report 2022/23 on non-bank mortgage lenders and creditworthiness assessment Q3

Depositor protection:

- Peer review on the GLs on the stress testing of DGSs

Consumer Protection:

- Technical Advice to the EU Commission on the criteria and factors to be taken into account by EBA for the purpose of temporarily banning crypto assets under MiCAR Q4

Activity 10 – Anti-money laundering and countering the financing of terrorism

Contributing to priority

PS

Lead Directorate: Innovation, Conduct and Consumers (ICC)
Lead unit: AML

- Objectives**
- 1) To work closely with competent authorities and the European Commission to facilitate the transition to the EU's new legal and institutional framework .
 - 2) To continue to foster the implementation of effective, proportionate and risk-sensitive approaches to tackling ML/TF, sanctions and other financial crime risks across the EU, including through prudential supervision.

Description

Through 2024, the EBA will work closely with competent authorities and the European Commission to support the transition to the EU's new legal and institutional AML/CFT framework. As part of this, the EBA will prepare the transfer of data, knowledge and powers to AMLA, provide technical advice to the European Commission as necessary and facilitate cooperation between national competent authorities to support them in their preparatory work, including through the establishment of a forum of AML/CFT supervisors that will consider practical aspects of the transition work. The EBA will also work to put in place the gateways necessary to facilitate the effective cooperation between prudential and AML/CFT supervisors and regulators going forward.

At the same time, the EBA will continue to lead, coordinate and monitor the EU financial sector's fight against ML/TF in line with its legal mandate and until AMLA is established and exercises fully its mandate and powers. It will foster the implementation of robust approaches to tackling ML/TF, sanctions and other financial crime risk across the EU by building supervisory capacity, and by intervening where necessary through guidance and outreach where information available to it suggest that weaknesses exist.

The AMLA is currently expected to be established in 2024. The EBA will adjust its work programme as necessary once the date of establishment is known. This may mean that planned deliverables will be re-prioritised.

- Main output**
- *Identification and assessment of ML/TF risks, and dissemination of information about ML/TF risks based on, inter alia, information from EuReCA +* Ongoing
 - *Monitoring of AML/CFT colleges and supporting their effective functioning +*

Activity 10 – Anti-money laundering and countering the financing of terrorism

- *Staff-led assessments of competent authorities' approaches to AML/CFT supervision with bilateral feedback and action points +*
 - *Tackling ML/TF risk through prudential supervision – embedding ML/TF aspects in the prudential framework (CRD, PSD, MiCAR) +*
 - Technical advice to support European and international AML/CFT objectives and the transition to AMLA
 - Supervisors Forum to support the transition to AMLA
 - Building supervisory capacity and promoting convergence of supervisory practices through bilateral support and training
 - *Support on Q&A on AML/CFT+*
-
- Opinion on virtual IBANs Q2
 - Guidelines on transfers of funds and crypto assets
-
- Guidelines on policies, procedures and controls to support the implementation of restrictive measures Q3
-
- 4th (final) report on staff-led assessments of CA's approaches to AML/CFT supervision (implementation reviews)
 - 4th (final) report on the functioning of AML/CFT colleges Q4
 - Peer review on dividend arbitrage trading schemes (cum-ex/cum-cum)

+ Delivery of tasks marked with a + may be subject to review as resources may be redeployed, and workstreams deprioritised, to accommodate work on the transition to the new legal and institutional framework. Tasks may be postponed, cancelled, or undertaken with less intensive resource input.

2.2. Risk assessment and data

Activity 11 – Reporting and transparency framework

Contributing to priority	<div style="display: inline-block; border: 1px solid black; padding: 2px 5px; margin-right: 10px;">P1</div> <div style="display: inline-block; border: 1px solid black; padding: 2px 5px;">P3</div>	Lead Directorate: Data Analytics, Reporting and Transparency (DART) Lead unit: RT
Objectives	Deliver at least 80% of the technical standards and other products as set out in the table below – taking into consideration the recommendations of the ACP.	
Description	<p>In 2024, the EBA will continue to follow up on the feasibility study on integrated reporting and to contribute to a more consistent and integrated system for collecting statistical, resolution and prudential data, with a view to improving efficiency and reducing reporting costs for all relevant stakeholders. The EBA would work with all relevant authorities to build a data dictionary, including a common methodology and structure (syntactic integration). Under the Joint Bank Reporting Committee (JBRC), to be established by the end of 2023, the EBA will work with the ECB, the SRB, the Commission and national authorities and central banks] on the integration of reporting concepts and definitions (semantic integration), and on the discussion of the level of granularity for the different types of reporting. The work on semantic integration under the JBRC will rely on the roadmap that the EBA and ECB are preparing.</p> <p>The EBA will continue to maintain a high-quality and efficient supervisory reporting framework, including a data point model based on DPM standard 2.0, and validation rules , to ensure that the reporting framework is relevant and supports authorities in fulfilling their obligations. Moreover, during 2024 the EBA will work on the implementation of the reporting changes driven by the revision of the CRR (CRR III) and CRD (CRD VI) and do the necessary amendments to the EBA reporting framework; the EBA will follow a two-step approach in CRR3/CRD6 implementation, focusing in step 1 on the reporting necessary to monitor Basel III</p>	

Activity 11 – Reporting and transparency framework

implementation and in step 2 on the rest. The EBA will continue to support stakeholders in the reporting process by addressing questions through the Q&A process.

The EBA will continue its work to improve the comparability and standardisation of Pillar 3 disclosures, including the extension of the ITS on Pillar 3 to cater for the CRR III-led amendments, following as in reporting a two-step approach, with a first step focused on disclosures necessary for Basel III implementation and a second step for the rest. The EBA will continue to promote integration of Pillar 3 and reporting frameworks through the maintenance of the mapping tool. The EBA will continue to work on ESG disclosures in the context of the Pillar 3 ITS, and coordinate the work on non-financial reporting at the EU level with our consultative role on CSRD standards, and at international level with Basel.

The CRR III proposal includes a mandate for the EBA to establish a Pillar 3 data hub, anticipated also on our Pillar 3 roadmap published in 2019, which will centralise public prudential disclosures for all EU institutions, in order to further promote comparability of public prudential information and market discipline and facilitate compliance with Pillar 3 requirements by smaller institutions. During 2024 the EBA will run a pilot with a small sample of large banks in order to test the tools for the hub and in preparation for its full implementation in 2025. Further, the EBA Pillar 3 hub is expected to connect to ESAP (European Single Access Point) which covers all company disclosures. The EBA work on the Pillar 3 data hub and on ESAP will be highly related.

Last but not least, as part of the EBA work on proportionality, the EBA will monitor the implementation of its recommendations in virtue of the study of the cost of compliance. The recommendations of the ACP will be helpful here to guide the EBA's work. In the context of its work on Reporting and Transparency the EBA will duly consider the proposals that the ACP deems critical from the perspective of proportionality and with a view to a reduction of the reporting burden and the cost of compliance.

	<ul style="list-style-type: none"> • Regular update and maintenance of the supervisory and resolution reporting framework (legal act, templates, instructions and technical package) • Update and maintenance of the Pillar 3 framework • Follow-up of recommendations identified in the cost of compliance study, including the regular review of proportionality in reporting framework • Maintain validation rules, the data point model and XBRL taxonomies. • Continue with the development of the new tool – DPM Studio - to improve development and maintenance of data dictionary, including data-modelling, validations, transformations and data exchange formats creation 	
Main output	<ul style="list-style-type: none"> • Implementation and maintenance of an integrated reporting system, following on from the EBA feasibility study on integrated reporting • Contribute to implementation of EU Supervisory Data Strategy across financial sectors • Maintain mapping tool between reporting and Pillar 3 • Opinions on sustainability reporting standards issued by EFRAG under CSRD • Development of the Pillar 3 data hub • Preparatory work on European single access point (ESAP), in coordination with ESMA and EIOPA • <i>Monitoring of Pillar 3 disclosures</i> +⁶ • Support Q&A process on reporting and transparency frameworks 	Ongoing


⁶ Own initiative project.

Activity 11 – Reporting and transparency framework

<ul style="list-style-type: none"> Continue our involvement in EU and international organisations, including EFRAG non-financial reporting body, BCBS DIS (Disclosure Expert Group) and BCBS TFCR – Workstream on disclosures 	
<ul style="list-style-type: none"> Technical package v3.4 phase 2 ITS to establish the templates for the Register of information 	Q1
<ul style="list-style-type: none"> ITS on use of ARTs as a means of payment (MiCAR) (v4.0). ITS on supervisory reporting (v4.0) – Implementation of CRR III changes (step 1) ITS on Pillar 3 disclosures – Implementation of CRR III changes (step 1) 	Q2
<ul style="list-style-type: none"> Technical package v4 supervisory reporting ITS on the format and processes for reporting major ICT-related incidents (DORA) 	Q3
<ul style="list-style-type: none"> ITS to amend Resolution Planning reporting 	Q4
<ul style="list-style-type: none"> ITS on supervisory reporting - Implementation of CRR III / CRD VI changes (step 2)- CP ITS on Pillar 3 disclosures - Implementation of CRR III / CRD VI changes (step 2) – CP 	TBC

+ Delivery of tasks marked with a + may be subject to review in light of redeployment of resources and reprioritisation that is required in order to address DORA and MiCAR mandates. Tasks may be postponed, cancelled or undertaken with less intensive resource input.

Activity 12 – Risk analysis

Contributing to priority	 Lead Directorate: Economic and Risk Analysis (ERA) Lead unit: RAST	
Objectives	1) Assess risks and vulnerabilities in the EU banking sector 2) Produce opinions and other work in the macroprudential area	
Description	The EBA will continue the work of monitoring market trends and the main developments in the EU banking sector. The objective is to identify, in a forward-looking fashion, vulnerabilities and potential risks that may affect EU banks, and to identify possible policy actions to address them. Finally, the EBA will support the implementation of the macroprudential framework in the EU.	
Main output	<ul style="list-style-type: none"> Quarterly EU risk dashboards Risk assessment questionnaires – two per year Internal updates on liquidity and market developments for the BoS and the BSG Work on macroprudential matters (including buffers) Opinions on macroprudential measures (Article 458 CRR) and systemic risk buffers <i>Stock-take on the different macroprudential instruments applied across the EU +</i> Thematic and topical notes on various risk Contribution to ESRB work 	
	Ongoing	
	<ul style="list-style-type: none"> JC spring risk report 	Q1
	<ul style="list-style-type: none"> Funding plans report Asset encumbrance report 	Q2

Activity 12 – Risk analysis

- JC autumn risk report
- Risk assessment report (RAR) of the European banking system (annual)
- RTS to specify the systemic importance indicators for third country branches - CP Q3

+ Delivery of tasks marked with a + may be subject to review in light of redeployment of resources and reprioritisation that is required in order to address resources constraints. Tasks may be postponed, cancelled or undertaken with less intensive resource input.

Activity 13 – Stress testing

Contributing to priority



Lead Directorate: Economic and Risk Analysis (ERA)
Lead unit: RAST

Objectives

- 1) Develop and implementation of the EU-wide stress test, including the work on top-down stress test - taking into consideration the recommendations of the ACP
- 2) Develop the environmental stress test

Description

To support the analysis of potential risks and vulnerabilities in the EU, the EBA initiates and coordinates EU-wide stress tests in cooperation with the ESRB. These allow assessment of the resilience of financial institutions to adverse market developments and feed into the microprudential and macroprudential assessments and decisions of the relevant CAs. This area of work also includes climate stress test in line with the EBA mandates.

Based on the EU-wide stress test carried out by the EBA in 2023, the EBA will be applying changes to the methodology and also assessing further the centralisation of some risk areas by introducing top-down elements. This will be in addition to the introduction in the 2023 EU-wide stress test of top-down elements for Net Fee and Commission Income (NFCI). The EBA will also take into consideration the lessons learned from the 2023 EU-wide stress tests. The EBA will continue working on environmental stress test, including the one-off fit-for-55 climate scenario analysis included in the Commission's renewed sustainable finance strategy and regular climate stress tests according to the EBA Founding Regulation.

For the stress test work, the EBA will consider the ACP recommendation to introduce supplementary proportionality considerations and more specifically the areas identified for enhancement or review: (i) increased application of top-down models, (iii) improvements of data flow and handling.

Main output

- Ongoing work on the improvement of the stress test methodology
- Incorporation of environmental risk into the stress test framework (regular environmental stress test) Ongoing
- Design and implementation of internal top-down stress test capacity
- GL stress testing (MiCAR) Q2
- Preparation and methodological work for 2025 EU-wide stress test exercise (incl. hybrid approach) Q4
- One-off fit-for-55 climate scenario analysis
- GL on institutions' climate stress test - CP
- Joint ESAs Guidelines on methodologies for climate stress testing - CP TBC

Activity 14 – Regulatory impact assessments

Contributing to priority	ALL	Lead Directorate: Economic and Risk Analysis (ERA) Lead unit: EAIA	
Objectives	<p>1) Prepare analytical impact assessments and/or provide technical support for practically all mandates under priorities 1,2, 3,4, and 5– taking into consideration the recommendations of the ACP</p> <p>2) To produce research and technical analysis to improve the analytical quality of EBA outputs (reports and standards).</p> <p>3) To run the annual mandatory QIS data collection and Basel III monitoring exercises</p>		
Description	<p>Evidence-based and proportionate policymaking requires comprehensive impact assessments. In addition, the EBA Regulation requires that all EBA regulatory products are accompanied by explicit (analytical quantitative and/or qualitative) impact assessments. Economic analysis and impact assessments support the development of the EBA’s regulatory products and are necessary inputs for the EBA’s advice to the Commission, and a key contribution to the debate on regulatory reforms. In this context the ACP recommended that proportionality considerations remain at the core of impact assessments that accompany the EBA’s regulatory products and guidance, and more specifically that assessments are (i) managed centrally, and (ii) evaluated and prioritised by their significance. Focus on high priority mandates could be particularly relevant for smaller and non-complex institutions, especially if paired with simplified data requests.</p> <p>Contribution to the global monitoring of the implementation of Basel standards (the QIS exercise) requires annual data collection and analysis and frequent interaction with banks, NCAs and the BCBS community. As part of the economic analysis work the EBA carries out its research function, which includes organising workshops, seminars and running the staff paper series. It furthermore actively contributes to the methodology development across the business areas, including stress testing models, risk analysis, ESG tools and models for resolution.</p>		
Main output	<ul style="list-style-type: none"> • Impact assessment reports that accompany EBA’s regulatory proposals and policy recommendations • Analysis and research to support and enhance ongoing regular EBA economic and statistical methodology and analysis • Develop economic and statistical tools and models for new functions (such as ESG and digital finance) • Maintenance and development of regular and ad hoc quantitative impact studies and the regular mandatory data collections for these, contacts to BCBS QIS TF and research TF • Publication of EBA staff papers • Contribution to work on ESG factors, financial innovation, payments, digital finance and AML/CFT • Contribution to the top down stress test framework • Contribution to the Task Force of Impact Studies and Advisory Committee on Proportionality • Specific calls for advice, thematic notes on risk analysis and other larger regulatory initiatives • Organisation of and participation in academic seminars and research workshops or initiatives which benefit the quality of work in EBA products 		Ongoing
	<ul style="list-style-type: none"> • CRR II / CRD V and CRR III / CRD VI / Basel III monitoring report (annual report) 		Q3

Activity 14 – Regulatory impact assessments

<ul style="list-style-type: none"> • Annual report on the impact and phase in of the LCR • Annual report on the impact and phase in of the NSFR • Policy research workshop 	Q4
<ul style="list-style-type: none"> • <i>Call for Advice (to be received) on insolvency benchmarking – as envisaged under the CMU action plan +</i> 	TBD

+ Delivery of tasks marked with a + may be subject to review in light of redeployment of resources and reprioritisation that is required in order to address resources constraints. Tasks may be postponed, cancelled, or undertaken with less intensive resource input.

Activity 15 – Data infrastructure and services, statistical tools

Contributing to priority	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid black; padding: 2px 5px;">P3</div> <div style="border: 1px solid black; padding: 2px 5px;">P3</div> </div>	Lead Directorate: Data Analytics, Reporting and Transparency (DART) Lead unit: STAT
Objectives	<ol style="list-style-type: none"> 1) Ensure timeliness, completeness and accuracy of data collected and facilitate its use and analysis in the context of EBA's policy, risk analysis, stress testing and transparency work. 2) Enhance Transparency in the banking sector through timely publication of Quarterly Risk Dashboards and other regular/ ad hoc outputs 	
Description	<p>As a data-based and insight-driven institution, the EBA incorporates data and analytics as a key element in its strategic areas, with the objective of leveraging the enhanced technical capabilities for performing flexible and comprehensive analyses.</p> <p>In 2021 the EBA finalised its multi-annual data strategy which will, inter alia, root all EBA policy work in data and support members and the public in their data needs. In implementing its data strategy, and as part of its multi-annual priorities, the EBA aims to improve how regulatory data is compiled, extend the range of data collected, enhance the usability of its underlying systems, and strengthen its analytical capabilities. Main actions will entail designing processes for more standardisation and harmonisation of data acquisition; digitalisation/automatisation of the reporting framework development process; developing new tools for data processing and analytics; designing processes and developing analyses and products with wide range of internal and external stakeholders.</p> <p>As part of its data strategy, the EBA will capitalise on EUCLID, the European Centralised Infrastructure of Data, which became operational in 2020 and provides a reliable, secure and efficient platform to collect and process micro and aggregated data for all financial institutions. EUCLID includes data on smaller institutions and specialised business models, which will allow more proportionality in the EBA's work, resulting in more comprehensive analyses and better impact assessments. The EBA aims to reduce the burden for banks and competent authorities by maximising already reported supervisory data when supporting ad hoc data collections.</p> <p>The upgraded data infrastructure and broader data set will support the implementation of the EBA's data strategy, allowing to provide access, via a dissemination portal, to high-quality data and insights to internal and external stakeholders, by employing more advanced technical capabilities. It will provide analytical tools for risk analysis and develop and maintain its risk dashboards, interactive tools, and a list of EBA risk indicators. It will promote the use of reported data by providing tools and training for data users. This will involve ensuring the consistent application of reporting requirements through the application of validation rules and quality checks. The EBA will provide high-quality data at aggregate and bank-by-bank levels, on a need-to-know basis, to a wide range of stakeholders (investors, analysts, academics and the general public), and improve banks' own disclosures within and beyond Pillar 3.</p>	
Main output	<ul style="list-style-type: none"> • Support regulatory work with quantitative analysis and analytical tools 	Ongoing

Activity 15 – Data infrastructure and services, statistical tools

- Provide data-based support for work on regulatory products (impact assessments) and technical advice requested by the Commission +
 - Provide data-based support for the statistical activities related to top-down stress test and climate risk stress test +
 - Provide data-based support for the statistical activities related to Supervisory benchmarking +
 - Support and maintain the EBA’s data infrastructure: master data and fact data for supervisory, resolution, IFs and payments purposes; setting reporting requirements; monitoring submissions
 - Manage the data workflow and interact with the CAs to ensure smooth data flow and quality
 - Train CA and EBA users on data and analysis tools +
 - Implement validation rules and quality checks for statistical analysis
 - Improve Transparency in the banking sector through the re-use of supervisory information and the pre-population of templates
 - Develop interactive and user-friendly visualisation tools for data dissemination
 - Implementation of multi-year data strategy, building on EUCLID to improve data processing and analytical capabilities and to provide access, via a dissemination portal, to high-quality data and insights to stakeholders
 - Euclid upgrade for the collection and dissemination of Pillar 3 information
 - EUCLID upgrade for supporting DORA and MiCAR mandates
- | | |
|--|-----------|
| <ul style="list-style-type: none"> • Risk dashboards and other tools for internal and external data users • Update of macro- and bank-specific risk dashboards | Quarterly |
| <ul style="list-style-type: none"> • 2024 EU-wide Transparency exercise • Supervisory disclosure exercise | Q4 |

+ Delivery of tasks marked with a + may be subject to review in light of redeployment of resources and reprioritisation that is required in order to address resources constraints. Tasks may be postponed, cancelled or undertaken with less intensive resource input.

2.3. Governance, coordination and support

Activity 16 – EBA governance, international affairs, communication

Contributing to priority	<div style="border: 1px solid black; padding: 2px; display: inline-block;">All</div>	Lead Unit: Governance and External Affairs Lead unit: GEA
Objectives	1) Enable EBA governing bodies, management and the organisation to plan and run its activities and interaction with relevant stakeholders. 2) Handle the EBA's communication needs and training programme offered to CAs 3) Execute the EBAs' equivalence assessment programme.	
Description	The activity supports the EBA’s governing bodies (BoS and MB), the Banking Stakeholder Group, the ESAs’ JC and Board of Appeal; and the EBA’s interactions with the EU and international institutions (e.g. GHOS/BCBS, IMF). It furthermore contributes to the planning of the EBA priorities, the establishment of the EBA’s work programme and the monitoring of its execution.	

Activity 16 – EBA governance, international affairs, communication

The EBA will implement its communication strategy, deliver a new visual identity, and continue to revamp its website in order to support its mandates.

To facilitate the competent authorities' acquisition of the Single Rulebook, its understanding, and the convergence of supervisory practices, the activity furthermore extends its training offer in prudential and resolution areas and on emerging risks.

With regards to equivalence, the EBA will assess the regulatory / supervisory and confidentiality frameworks of third countries and their equivalence with the EU framework, provide an opinion to the EC and monitor, together with the EC, the ongoing equivalence of countries covered by the EC's equivalence decisions. The EBA will enter into cooperation agreements with the CAs of third countries, covering prudential, conduct and crisis-management cooperation, and monitor regulatory developments in – and in dialogue with – relevant jurisdictions (e.g. UK, US).

Main output	<ul style="list-style-type: none"> • Support the EBA's governing bodies, as well as the Banking Stakeholder Group, the Advisory Committee on proportionality, the Board of Appeal and the ESAs Joint Committee work • Support the EBA's contribution to EU and international fora • Develop internal policies/processes to support the EBA's activities • Implement the EBA's communication strategy and ensure external and internal communication • Monitor the implementation of the ESAs' Review and possible follow-up to the Commission's report on the experience acquired following the revised ESAs' Regulation • Development and execution of the Union Strategic Supervisory Priorities 2024-2026 • Prepare and monitor the execution of the annual and multi-annual work programme • Develop and maintain relations with EU and non-EU stakeholders • Gather market intelligence and hold technical dialogues and exchanges with relevant authorities and stakeholders in major third country jurisdictions • Training for EU competent authorities • Prepare reports and opinions on regulatory and confidentiality equivalence assessment and/or monitoring 	Ongoing
	• Single programming document (2025-2027 horizon)	Q1
	• Consolidated annual activity report 2023	Q2
	• Annual report 2023	Q2
	• 2025 Annual work programme	Q3
	• JC 2025 Annual work programme	Q3

Activity 17 – Legal and compliance

Contributing to priority



Lead Unit: Legal and Compliance
Lead unit: L&C

Objectives

1) Ensure the EBA operates within a sound legal and ethical framework which supports staff and stakeholders in delivering EBA objectives and minimises scope for successful litigation and negative findings of inquiries

2) Strengthen consistency and effectiveness in supervisory outcomes and effective enforcement of Union law by carrying out three peer reviews and three follow-up peer reviews, monitoring potential breaches of Union law, contributing to settlement of

Activity 17 – Legal and compliance

	disagreements between CAs, fostering and monitoring supervisory independence and developing enforcement toolbox for MiCAR	
	3) Q&As are answered within 9 months by providing an effective workflow system and regular management reporting and escalation	
Description	<p>Provision of legal analysis and support, and risk and compliance functions. This includes analysis and support on draft regulatory products, coordination of the Q&A process; carrying out peer reviews, investigations into potential breaches of EU law and dispute resolution between CAs, monitoring and fostering of supervisory independence; representing the EBA before the Board of Appeal and the Court of Justice; providing data protection officer, ethics, anti-fraud and risk management functions; and ensuring that the EBA operates in accordance with its founding regulation and with all other applicable laws.</p> <p>The EBA will continue to consolidate its risk and compliance functions including digitisation and implementation of an enterprise risk management system, develop the peer review process to focus on supervisory priorities and urgent ad hoc supervisory issues, enhance the Q&A process and Interactive Single Rulebook; support sound implementation of MiCAR and DORA; and support prevention and countering of ML/TF and transition of activities to AMLA.</p>	
Main output	<ul style="list-style-type: none"> • Legal advice to EBA staff and governing bodies • Sound internal processes for adopting EBA decisions • Represent the EBA before the Board of Appeal and the Court of Justice and in interactions with the European Ombudsman • Development and implementation of data protection, ethics and whistleblowing, risk management and anti-fraud frameworks • Handle access to documents requests • Identify potential breaches of EU law, investigate and act as appropriate • Settle CA disputes through mediation and binding decisions • Monitor and foster supervisory independence of CAs • Conduct peer reviews of the activities of competent authorities as well as related follow-up as set out in the peer review plan – included in annex III • Q&A: coordinate the internal preparation by the policy areas of the answers to external stakeholders on the Single Rulebook 	Ongoing
	<ul style="list-style-type: none"> • <i>Peer review on definition of default +</i> • Follow-up on peer review on NPEs 	Q2
	<ul style="list-style-type: none"> • Peer review on proportionality in the application of the SREP • Follow-up on peer review on ICT risk 	Q3
	<ul style="list-style-type: none"> • Peer review on dividend arbitrage trading schemes (cum-ex/cum-cum) • Draft GL on the prevention of conflicts of interests in and independence of competent authorities - CP 	Q4

+ Delivery of tasks marked with a + may be subject to review in light of redeployment of resources and reprioritisation that is required in order to address resources constraints. Tasks may be postponed, cancelled or undertaken with less intensive resource input.

Activity 18 – Resources (HR and finance)

Contributing to priority	<input checked="" type="checkbox"/> ALL	Lead Directorate: Operations Lead units: HR and FP
Objectives	1) Achieve at least 95 % execution of the 2024 annual budget and of carried forward appropriations.	

2) Ensure adoption of the 2025 annual budget before 2024 year-end (subject to timely adoption of the EU general budget by the Budgetary authority)

3) Ensure input of the 2026 budget request to the Commission by 31 January 2024

Description

For HR, the focal point will be to further modernise the HR strategy helping to deliver more diverse and inclusive organisational excellence by putting the right people, in the right place, at the right time with the right skills, with a focus on talent attraction, engagement and retention. More particularly, in a challenging fast-moving global context with new ways of working and staff changed expectations around work, the objective will be to improve HR policies and processes for staff to optimally grow, thrive and deliver.

The finance activity will aim to further enhance budget acquisition, monitoring, and execution through electronic workflows for finance, procurement, and accounting processes, and through leveraging the implementation of the EBA collaboration platform. It will also continue the implementation of the systems and processes required to support fee-financing arising from the digital finance LFS, in coordination with ESMA and EIOPA. This will look, in particular, at activity-based budgeting/costing systems. The Finance team will also begin work on implementing SUMMA, which is the Commission's successor to the current ABAC budget and accounting system.

The EBA will benefit from the Public Procurement Management Tool (PPMT), developed by the Joint Research Centre with the Commission's Directorate-General for Informatics and for Budget, which the EBA implemented in 2022 but continues to improve and expand, and which now enables all procurement procedures to be run through the tool.

HR

- Maximised execution of the Establishment Plan (at least 95%)
- Ensured compliance to the SR/CEOS with Implementing Rules' adoption (Article 110 of the SR)
- Optimised talent identification, attraction and acquisition approach
- Revamped talent career development framework
- Increased HR digitalisation (with a new e-recruitment tool planned to be deployed end of 2023)

Finance

Main output

- Execution of the 2024 annual budget
- Establishment and acquisition of the 2025 budget
- Establishment of the 2026 budget
- Implementation of the 2024 procurement plan
- Production of the 2023 annual accounts
- Development of system(s) for budgeting and costing fees (MiCAR/DORA)
- Preparation for implementation of the Commission's SUMMA system (successor to the current ABAC accounting and budget system)
- Support the annual ECA audit
- Ongoing improvement projects (Finance & Procurement)

Ongoing

Activity 19 – Infrastructures (Information technology and Corporate Support)

Contributing to priority



Lead Directorate: Operations
Lead units: IT and CS

Objectives

- 1) Prepare and execute annual and multi-annual IT Strategies
- 2) Fit out premises to accommodate new tasks (DORA, MiCAR) and hybrid work

Activity 19 – Infrastructures (Information technology and Corporate Support)

3) Reduce environmental impact

Description

The EBA has adopted an IT strategy to become a Digital Agency by 2025, embarking on a bold and ambitious digital transformation journey for the entire organisation. The activity includes the transformation, delivery and adoption of IT solutions that are fit for purpose, easy to use, secure and effective, in line with the adopted Cloud Strategy. Furthermore, it will provide services and technology leadership to enable the EBA to achieve its mission and to support its everyday operations as a trusted business partner.

Digital services and solutions include operating and continuously enhancing an EU Data Hub of information based on the EUCLID Platform (further enhance master and data collection and implement dissemination capabilities); enhancing tools for developing and maintaining the reporting framework; enabling efficient collaboration with and support core business processes. From a sustainable infrastructure and security perspective, the aim is to operate in a cloud infrastructure, with an enhanced risk management and response framework.

Corporate Support ensures that the EBA staff can rely on all necessary means (premises, equipment) to develop their activities. It also supports internal controls of the EBA's activities, and reports to management on the achievement of the EBA's objectives. It supports the EBA's core functions based on specialised knowledge and best practices to serve internal stakeholders and business partners.

IT

- Implement the EBA's IT strategy for 2020-2025
- Migrate the existing infrastructure to cloud, transform current IT Estate and join the Cloud II Framework of the EC
- Master and reporting data collection via the EUCLID platform (including committed information rate, peak information rate, supervisory, resolution, investment firms (IFs), Covid-19 reporting, Pillar III disclosures)
- Enhance EUCLID solution with data validation and dissemination capabilities. Implementation of a data dissemination solution in light of preparing for the Pillar II data hub.
- Implement tools for the support of the EBA reporting framework
- Support and enhancement of AML solution (EuReCA platform).
- Support and enhance collaboration tools within EBA and external stakeholders

Main output

- Replace legacy systems with cloud native solutions
- Support and tools for the Single Rulebook/signposting/ Q&A
- Access management and security enhancements
- Implementation of solutions for the EBA's operational readiness to take up new tasks in relation to MiCAR and DORA
- Support the organisation of internal and external meetings

Ongoing

Corporate support

- Support the provision of catering and canteen services
- Support the organisation of internal and external meetings (including reimbursements)
- Support the organisation and reimbursement of missions
- Manage the EBA premises, reception, postal services and office supplies
- Projects related to premises (fit-out; design; furniture)
- Adhere to security, health and safety requirements and supplies

Activity 19 – Infrastructures (Information technology and Corporate Support)

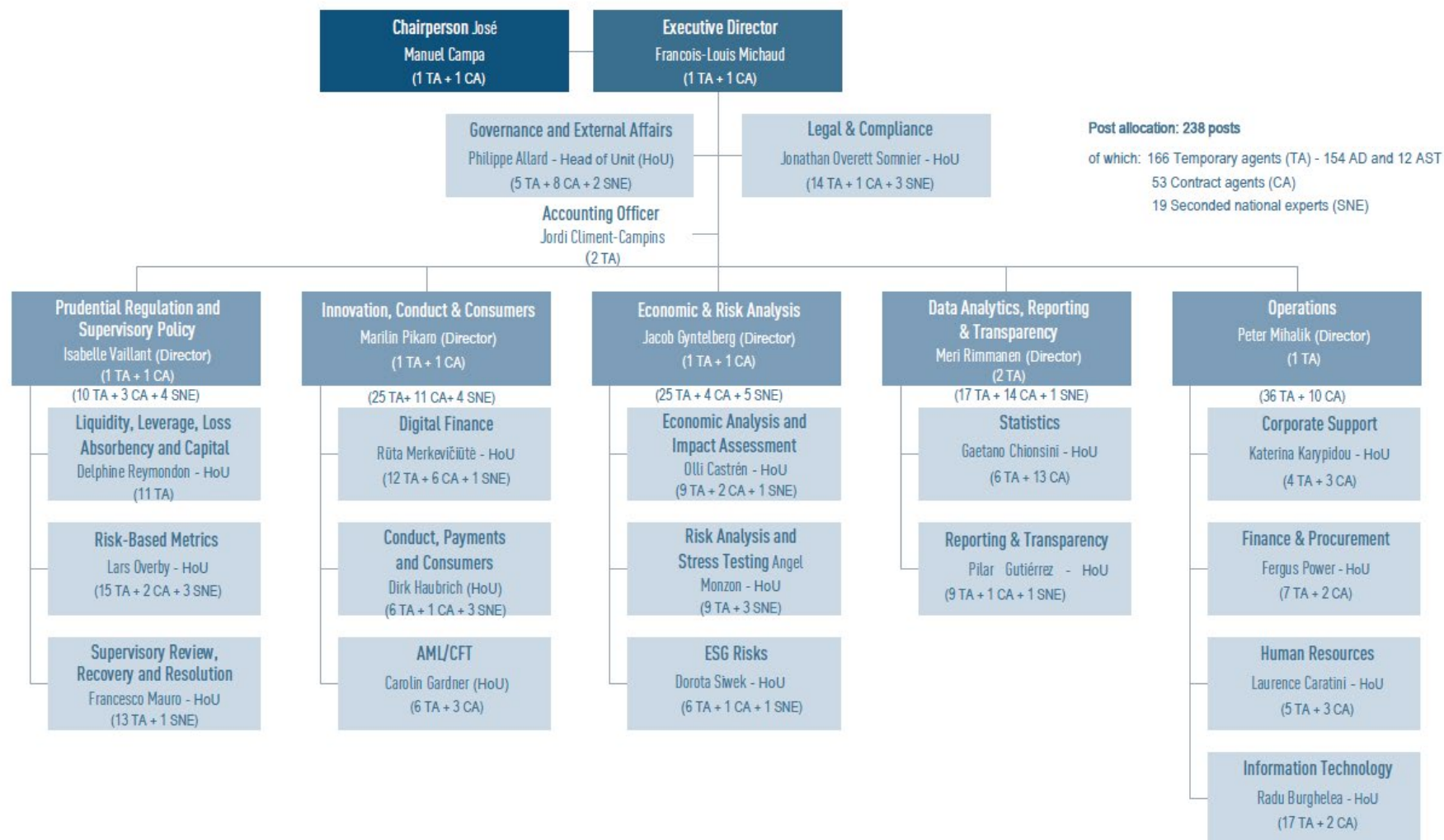
- Ensure that the use/disposal of EBA assets and inventory is compliant, safe, economic and environmentally friendly
- Maintain EMAS registration and continue to reduce the EBA's environmental impact
- Coordinate the implementation of Sustainability Reporting standards
- Contribute to the improvement and monitoring of an internal control system
- Audits: European Court of Auditors (ECA) and EC Internal Audit Services (IAS)
- Contribute to the EBA-wide annual risk assessment exercise and undertake corporate support related specific risk

Corporate support

- Manage the business continuity strategy and coordinate the annual business continuity exercise

Q1

ANNEX I: ORGANISATION CHART



ANNEX II: RESOURCE ALLOCATION PER ACTIVITY 2024

The table below summarises the resource allocation per activity and details the type of resource: TA, CA or SNE. Management staff and their assistants are distributed over the activities within their respective remits, hence the staffing numbers per activity are not whole numbers. (Minor differences in totals are due to rounding.)

	Activity	TA	CA	SNE	Total	Cost (EUR)
	Policy and convergence work	76.2	14.7	9.1	100.1	23,798,985
P1	1 - Capital, loss absorbency, and accounting	7.5	0.2	-	7.8	1,786,214
P1	2 - Liquidity, leverage, and interest rate risk	3.0	0.1	-	3.1	767,770
P1	3 - Credit risk (incl. large exposures, loan origination, NPL, securitisation)	8.4	1.9	2.0	12.3	2,460,976
P1	4 - Market, investment firms and services, and operational risk	7.6	0.6	1.0	9.2	1,972,127
P1	5 - Market access, governance, supervisory review and convergence	7.4	0.2	1.0	8.6	1,948,821
P1	6 - Recovery and resolution	3.6	0.1	-	3.7	898,282
P1,2	7 - ESG in supervision and regulation	6.4	1.2	1.0	8.6	1,881,731
P4,5	8 - Innovation and FinTech*	18.2	6.8	1.2	26.2	7,464,855
P5	9 - Payment services, consumer and depositor protection	7.2	1.4	2.9	11.4	2,241,450
P5	10 - Anti-money laundering and countering the financing of terrorism	6.9	2.2	-	9.2	2,376,759
	Risk assessment and data	35.1	17.4	5.0	57.7	15,187,541
P1,3	11 - Reporting and transparency framework	9.9	1.0	1.0	12.0	2,753,207
P2	12 - Risk analysis	5.0	0.2	-	5.2	1,361,663
P2	13 - Stress testing	4.5	0.2	3.0	7.7	1,476,370
All	14 - Regulatory impact assessments	8.4	2.5	1.0	12.0	2,445,919
P3,4	15 - Data infrastructure and services, statistical tools	7.3	13.5	-	20.8	7,150,382
	Coordination and support	54.8	20.8	5.0	80.4	17,260,949
ALL	16 - EBA governance, international affairs, communication	5.1	8.3	2.0	15.4	2,854,282
ALL	17 - Legal and compliance	14.2	1.0	3.0	18.2	3,918,294
ALL	18 - Resources (HR and finance)	14.6	4.2	-	18.7	4,153,897
ALL	19 - Infrastructures (Information technology and corporate support)	20.9	7.3	-	28.1	6,334,476
	Sub-total for 2024	166.0	53.0	19.0	238.0	56,247,474
	MiCAR fee funded posts (unfilled)	18.0	-	-	18.0	-
	DORA fee-funded posts (unfilled)	5.0	-	-	5.0	-
	Total for 2024	189.0	53.0	19.0	261.0	56,247,474

* Includes MiCAR and DORA preparations (mostly through internal resource redeployments), posts foreseen for the EU Supervisory Digital Finance Academy, as well as 5 EU-funded posts foreseen in the Union budget. Fee-funded posts cannot be filled before fees are raised, which given the delayed adoption of the legislations is not expected before 2025.

The total cost has been increased by EUR 811,677 compared to the Draft SPD. This increase results from delays in the establishment of AMLA, which in turn delays the transfer of EBA AML posts. This increase is funded in the usual manner by the EU and NCA.

A shared accounting services arrangement with ESMA was introduced in 2021 to exploit synergies of both authorities being now based in Paris. According to this arrangement, the EBA is providing 50% of the time of 2 accounting staff to ESMA. From early 2023 this sharing arrangement will be reduced to one staff member.

The initial CRR III / CRD VI proposals from the Commission contained c. 100 mandates assigned to the EBA. No additional resources were foreseen in the LFS.

While the workload deriving from the mandates posed significant challenges, the EBA originally expected to be able to deliver the mandates using existing resources by means of:

- reallocation of resources from areas in which work would have been completed (DORA / MiCAR, work on IF);
- redeployment of resources from other work that, as a consequence would have to be deprioritised / postponed (e.g. work on benchmarking, machine learning...).

In the course of the negotiations, which are still ongoing at the time of publication of this document, the list has increased to c. 125 mandates, which makes initial planning difficult to deliver without further resources.

This situation is further complicated by the following:

- Overlap of resources allocated to work on MiCAR and DORA and CRR III / CRD VI. With the later than anticipated finalisation of the legislative texts (MiCAR and DORA) and the need to frontload work on many of the Basel-related mandates, resources will not be freed up as early as expected.
- Timelines for the delivery of CRR III / CRD VI mandates, while not final, are fairly concentrated in time. The overlap of MiCAR and DORA deadlines for final deliverables and the aforementioned need to start work on many of the Basel-related mandates early further exacerbates this problem.
- Resources are not entirely fungible, in particular for work on credit-risk and securitisation related work.

On the basis of the above, the EBA has assessed that it would require additional resources on a temporary basis (i.e. for a 3 year horizon) of c 5 FTE to accommodate this, including:

- Credit risk: 2 TAs
- Market risk: 1 TA
- Market access and governance: 2 TAs.

The increase in EU subsidy which would be required to fund this additional headcount is estimated to be EUR c. 400 000 in 2024.

While TA posts are preferable, SNE positions could also be considered to address the shortfall partially.

ANNEX III: PEER REVIEW PLAN 2024-25

The EBA publishes a peer review work plan for the coming two years. In case of urgency or unforeseen events, the EBA may decide to carry out additional peer reviews.

Peer reviews to be launched in 2024

Q1 – Dividend arbitrage trading schemes (Cum-Ex/Cum-Cum)

A peer review into the actions taken by financial institutions to comply, and prudential/AML supervisors to assess compliance, with requirements applicable to dividend arbitrage trading schemes. This will look at actions taken to implement the measures adopted by the EBA under its 10-point Cum-Ex/Cum-Cum action plan.⁷ The sample of competent authorities would take into account the Member States most affected by the topic, as well as both the prudential and AML dimensions.

Q2 – Diversity and gender pay gap

Following on from publication of the EBA's 2023 diversity report, this peer review will assess how CAs monitor and encourage the application of gender and diversity policies as indicated in Articles 74, 88, 91, 94 of the CRD. It will take into account the EBA Internal Governance Guidelines and Guidelines on Remuneration Policies and the policies and processes in place to supervise these.

Q3 - Resilience of deposit guarantee schemes (DGS)

Article 4(10) of the Deposit Guarantee Scheme Directive requires the EBA, at least every five years, to conduct a peer review to examine the resilience of deposit guarantee schemes. The results of the last peer review were published in June 2020 and it is expected that the next round of stress tests required to be carried out by DGS will take place in 2024. The peer review will also take into account cooperation between DGS and with relevant domestic authorities in this context.

Follow-up peer reviews to be launched in 2024

- Supervision of non-performing exposures management (follow-up to EBA/Rep/2022/12)
- Peer review report on ICT risk assessment under the SREP (follow-up to EBA/Rep/2022/25)
- Authorisation under PSD2 (follow-up to EBA/Rep/2023/01)

7

https://www.eba.europa.eu/sites/default/documents/files/document_library/News%20and%20Press/Press%20Room/Press%20Releases/2020/EBA%20publishes%20its%20inquiry%20into%20dividend%20arbitrage%20trading%20schemes%20-%28%20Cum-Ex/Cum-Cum%20-%20Action%20plan%20on%20dividend%20arbitrage%20trading%20schemes%20Cum-Ex-Cum-Cum.pdf

Potential peer reviews for 2025

The EBA plans to launch three peer reviews in 2025, with the following identified as potential topics:

- Supervision of Pillar 3 disclosures
- Supervision of Interest rate risk in the banking book
- Supervision of liquidity under SREP
- Assessment of resolvability
- ESG in risk management

Follow-up peer reviews to be launched in 2025

- Supervision of credit valuation adjustment (CVA) risk (follow-up to EBA/Rep/2023/15)
- Supervision of treatment of mortgage borrowers in arrears



EUROPEAN BANKING AUTHORITY

Tour Europlaza, 20 avenue André Prothin CS 30154
92927 Paris La Défense CEDEX, FRANCE

Tel. +33 1 86 52 70 00

E-mail: info@eba.europa.eu

<https://eba.europa.eu>