

THE CHAIRPERSON

John Berrigan
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Directorate-General for Financial Stability,
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EBA-2022-D-3928

22 April 2022

Subject: European Commission request to EBA for technical advice on non-bank lending

Dear Mr Berrigan,

We are referring to the European Commission request for technical advice on digital finance and related issues from 2 February 2021, and specifically on point 4.1 related to an analysis of non-bank lending sector, i.e., lending provided by financial intermediaries outside the EU financial services regulatory perimeter. In the request, the European Commission asked the European Banking Authority to deliver a report on this matter by 31 March 2022.

It is our pleasure to provide you today with the report prepared by the EBA, which sets out the findings and advice of the EBA in response to the European Commission's request. The Report outlines the most recent trends and market developments on lending provided by non-bank entities and analyses the business models and the applicable regulatory framework. The analysis also includes the identification of risks and supervisory concerns, together with specific proposals to address them in the areas of i) supervision and scope of prudential regulation; ii) consumer protection and conduct of business; iii) AML/CFT risks; iv) macro-prudential framework; and v) micro-prudential risks.

The EBA remains at the disposal of the European Commission for any follow-up on the matters outlined in the Report and any further guidance that may be needed in this respect.

Yours sincerely,

[signed]

José Manuel Campa

CC:

Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs European Parliament

Claudia Lindemann, Head of ECON Secretariat

Jeppe Tranholm-Mikkelsen, Secretary-General, Council of the EU

Alexandra Jour-Schroeder, DG FISMA, Deputy Director-General

Marcel Haag, DG FISMA, Director Directorate B, Horizontal Policies,

Martin Merlin, DG FISMA Director Dir D, Regulation and prudential supervision of financial Institutions

Jan Ceysens, DG FISMA, Head of Unit B4 (Digital Finance), European Commission

Mattias Levin, DG FISMA, Deputy Head of Unit B4 (Digital Finance), European Commission

Almoro Rubin de Cervin, DG FISMA Head of Unit D1, Bank regulation and supervision,

Marie Donnay, DG FISMA, Head of Unit D3, Resolution and Deposit Insurance

Dominique Thienpont, DG FISMA Legal Counsellor to Dir D

Encl: EBA Response to Call for Advice on Non-Bank Lending