

European Banking Authority (EBA): adjustment of procedural modalities

2012/0244(COD) - 22/10/2013 - Final act

PURPOSE: to guarantee a high level of regulation and prudential supervision in all the Member States and to maintain the stability of the financial system in the context of the creation of a banking union.

LEGISLATIVE ACT: Regulation (EU) No 1022/2013 of the European Parliament and of the Council amending Regulation (EU) No 1093/2010 establishing a European Banking Authority (EBA).

CONTENT: the present regulation amends Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority) to ensure a high, effective and consistent level of regulation and prudential supervision throughout the European Union (EU) **in the context of the creation of a banking union.**

In the light of establishing a **Single Supervisory Mechanism (SSM)**, the [Regulation \(EU\) No 1024/2013](#) confers on the European Central Bank (ECB) specific tasks concerning the prudential supervision of credit institutions which are established in Member States whose currency is the Euro and allows other Member States to establish a close cooperation with the ECB.

Therefore, the **European Banking Authority (EBA) should maintain its role to develop a single rulebook for the banking sector** and to ensure its consistent application and the convergence of supervisory practices.

The main amendments to the regulation establishing the EBA are as follows:

Missions and tasks of the EBA: the regulation stipulates that the authority: i) contribute to the consistent and effective application of European legislation; ii) foster supervisory convergence; iii) provide opinions to the European Parliament, the Council and the Commission; and iv) undertake economic analyses of the markets to promote the achievement of the Authority's objective. The Authority shall act **independently**, objectively and in a **non-discriminatory** manner, in the interests of the Union as a whole.

Specifically, the EBA would be charged:

- to contribute to the establishment of **high-quality common** regulatory and supervisory standards and practice;
- to develop and maintain up to date a **European supervisory handbook** applicable across the Union as a whole, which sets out supervisory best practices for methodologies and processes for financial institutions;
- to promote the **consistent and coherent functioning of colleges of supervisors**, the monitoring, assessment and measurement of systemic risk, as well as the development and coordination of recovery and resolution plans;
- to provide a high level of **protection to depositors and investors** throughout the Union;

- to develop **methods for the resolution of failing** financial institutions and an assessment of the need for appropriate financing instruments.

Responsibility of the authorities: the European supervisory authorities would be responsible to the European Parliament and the Council. The ECB would be accountable to the European Parliament and to the Council with regard to the exercise of its specific supervisory tasks.

Consumer protection and financial activity: the EBA should establish a **Committee on financial innovation** with a view to achieving a coordinated approach to the regulatory and supervisory treatment of new or innovative financial activities and providing advice for the Authority to present to the European Parliament, the Council and the Commission

The EBA may also assess the need to prohibit or restrict certain types of financial activity.

Action in emergency situations: in exceptional circumstances where coordinated action by competent authorities is necessary, the EBA may **adopt individual decisions** requiring competent authorities to take the necessary action to address the situation.

Voting arrangements: the regulation establishing the EBA is amended in relation to voting arrangements so as to **ensure that the decision process within the EU single market is fair and effective**. The amendments carried allow the assurance that countries participating in the SSM do not occupy a position of undue influence on the board of the EBA supervisory authorities.

Decisions concerning breaches of Union law and concerning the settlement of disagreements should be examined by an independent panel composed of voting members of the Board of Supervisors which do not have any conflicts of interest, appointed by the Board of Supervisors.

The decisions proposed by the panel to the Board of Supervisors should be adopted by a simple majority of the voting members of the Board of Supervisors, which should include i) a simple majority of its members from competent authorities of Member States participating in the SSM and ii) a simple majority of its members from competent authorities of Member States that are not participating Member States.

Requests for information: the EBA should be able to request information from financial institutions in relation to any information to which those financial institutions have legal access, including: i) information held by persons remunerated by those financial institutions for carrying out relevant activities, ii) audits provided to those financial institutions by external auditors and iii) copies of relevant documents, books and records.

Requests for information by EBA should be duly justified and reasoned. Where an addressee of a request for information raises such objections, this should not absolve him from providing the information requested

ENTRY INTO FORCE: 30/10/2013.