Single Resolution Mechanism and Single Resolution Fund: uniform rules and procedure for the resolution of credit institutions and certain investment firms

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The Council discussed possible adjustments to its general approach on the establishment of a single resolution mechanism (SRM) for banks, with a view to giving more flexibility to the presidency in its forthcoming “trilogue” negotiations with the European Parliament.

The Council reiterated its firm commitment to **reach an agreement acceptable to all parties on the SRM within the deadline set by the European Council, enabling a vote by the European Parliament before the end of its current term**. The discussion showed that ministers recognise the need for **compromises and flexibility towards the Parliament's position**.

The presidency summarised the scope of such ideas as follows:

- the framing of the role of the plenary session of the single resolution board (SRB);
- a review of the thresholds for the involvement of the plenary, and of voting modalities, especially during the initial transitional phase of the single resolution fund (SRF), to have a balanced solution for the use of the SRF;
- a possibly better framing of the Council's role in order to limit its discretion and the grounds on which it can raise objections to the SRB's decisions, as well as a simplification and, if possible, shortening of the decision-making process;
- a more framed oversight of the SRB over national resolution authorities;
- a central role for the European Central Bank in determining whether a banking institution is failing or likely to fail, while the SRB should ultimately maintain a possibility to effectively influence that function too;
- agreement that bail-in and not bail-out is the main guiding principle for bank resolution.

The presidency also acknowledged calls from many ministers:

- to increase the pace of mutualisation of national contributions to the SRF;
- to enhance the capacity of the SRF to borrow in the markets during the transitional period in order to reinforce the credibility of the system;
- to continue work on the method for calculating individual contributions to the SRF in order to provide as much clarity on this issue as possible.

The presidency noted that the outcome of the trilogue negotiations would be the result of a **global deal** covering discussions on both the SRM regulation and the intergovernmental agreement (IGA).