

SRB consultation on its future strategic review

High-level position paper – Executive summary

March 2023

ESBG Transparency Register ID 8765978796-80

The European Savings and Retail Banking Group (ESBG) welcomes the opportunity provided by the Single Resolution Board (SRB) to share feedback on its future strategic review which aims to enter into a new era after the completion of the construction phase which was marked by the build-up of the Single Resolution Fund (SRF) and by the introduction of tools improving the resolvability. As part of the second phase, priority will be given on operationalisation with a focus on the resolution plans.

How could the SRB consultation processes be enhanced?

First, both the banking sector and the Resolution Authorities would benefit from a wider framework for SRB consultation. Currently, the number of consultations does not cover the wide spectrum of expectations. It will also be desirable to promote an active participation of the banking industry in advance of implementing modifications on regulations they are subject to. For example, the banking sector would have welcomed having the opportunity to share its opinion when the SRB decided to notify the European Commission that it was necessary to amend the Delegated Regulation (EU) 2015/63, as regards the methodology for the calculation of liabilities arising from derivatives, in the context of the calculation of the SRF ex-ante contributions. ESBG also believes that banking associations are insufficiently involved in some consultations (e.g. SRB consultation on SRF contributions). A bundling of feedback by associations would be more expedient, as this would avoid receiving hundreds of identical comments for the SRB. Finally, considering the too-short consultation periods in the past (e.g. for MREL Policy), ESBG recommends to extend the deadlines.

How could the SRB improve transparency and interactions with the banking industry?

In terms of transparency, great progress has been made over the years (e.g. with regard to the notification of the contribution to the SRF). However, a balance must be struck between transparency and over-information. The latter leads to the fact that knowledge is made more difficult. The SRB should add a summary of the most important key points in front.

In terms of interactions, ESBG members really appreciate the participation in the industry Dialogue meetings initiated by Dr. König which should continue to take place physically. Moreover, the SRB should, similar to the ECB banking supervision, gradually translate the contents of the website into all official languages and also make important documents, such as policies, expectations or guidelines, available in these languages.

Furthermore, although the formal communication on resolution cases is limited for obvious reasons, bank's resolution experts and Internal Resolution Teams (IRTs) could learn a lot from those past cases. That is why a confidential information session could be helpful in that regard (for bank's head of resolution planning and IRTs).