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EBF welcomes Commission proposals on EU cross-border crisis management framework

The European Banking Federation welcomes the proposals by the European Commission on cross-border crisis management, set out in its Communication, issued yesterday. This comes in the wake of the broad agreement by European Finance Ministers in Luxembourg yesterday on the substance of the Commission's proposals for a European Systemic Risk Board (ESRB) to strengthen macro-prudential oversight across the EU financial system. The Commission Communication is part of the Ecofin Roadmap to strengthen EU financial supervision, stability and regulation.

"The EBF supports the Commission's proposals for a European Systemic Risk Board, but continues to call for the closer involvement of the financial industry in the examinations of the ESRB by means of an industry panel. It is also crucial that there is a good interaction between the macro-prudential and the micro-prudential supervision, which is exercised through the network of European Supervisory Authorities", declared EBF Secretary General Guido Ravoet.

He added: "The Communication is a positive demonstration that the Commission and the Member States are committed to taking up the difficult, sensitive but essential issue of cross-border crisis intervention, management and resolution."

The EBF stresses that progress at EU level needs to be made on three interconnected fronts: crisis prevention (in other words enhancing financial supervision), crisis management and resolution (including the organisation of deposit guarantee schemes), and burden sharing. Significant improvements in one area will indeed rely on the ability to move forward in another, and vice-versa.

The Federation is therefore pleased to note that these areas are now all under the EU policy-makers' or co-legislators' scrutiny, albeit at different stages and depth.

Now that the Rapporteurs are being nominated, the EBF is calling on the European Parliament to start its review of the supervisory reform package.

The Financial Stability Board is also working on cross-border crisis management, and the Basel Committee is currently consulting on its recommendations for cross-border bank resolution. It will be important to ensure EU consistency with international policy developments.

The EBF will analyse the Communication carefully, keeping in mind the current proposals on financial supervision to ensure overall coherence and efficiency of the regulatory framework, and will be answering the Commission's questions in due time.

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Note to the Editor

Set up in 1960, the European Banking Federation is the voice of the European banking sector (EU and EFTA countries). The EBF represents the interests of some 5000 European banks: large and small, wholesale and retail, local and cross-border financial institutions