



Mailing list Supervision/ Accounting/ Money Laundering

Brussels, 9 October 2014

BL

EBA consultation on simplified obligations for certain institutions pursuant to article 4 of the Directive establishing a framework for the recovery and resolution of credit institutions and investment firms

Dear Madam or Sir,

The European Banking Authority (EBA) has published on 25 September 2014 [draft guidelines on the application of simplified obligations under article 4 of the Bank Recovery and Resolution Directive](#).

Pursuant to article 4 of the Directive competent authorities can provide for simplified obligations for the content and frequency of updating the recovery plans and resolution plans of credit institutions. Furthermore, the obligation to transmit information to the competent authorities which is necessary for the drafting of resolutions plans according to article 11 of the Directive shall be moderated. Moreover, the requirements for the assessment of the resolvability referred to in article 15, 16 and annex C of the Directive shall be reduced.

The authority's decision about the application of simplified obligations shall depend on the impacts of the failing of a credit institution and its subsequent liquidation pursuant to national insolvency law on financial markets, other institutions, funding conditions or the real economy. In this connection should be considered criteria such as the nature of the business of a credit institution, its shareholding structure, its legal form, its risk profile, size and legal status, its interconnectedness to other institutions or to the financial system in general, the scope and the complexity of its activities, its membership of an Institutional Protection Scheme or other cooperative mutual solidarity systems (article 4 (1) of the Directive).

These criteria shall be concretized in the guidelines in order to harmonize its application in the EU. Furthermore, they shall simplify the cooperation between competent authorities when assessing the resolvability of institutions, especially cross-border institutions. Their consideration is compulsory for competent authorities. In addition, annex II of the draft guidelines contains a list of optional indicators which also comprises the total (covered) deposits, deposit accounts and the number of retail clients.

Furthermore, we would like to inform you that EBA has launched on consultation on draft Implementing Technical Standards on the uniform formats, templates and definitions for the identification and transmission of information by competent authorities and resolution authorities to the EBA for the purposes of article 4 (7) of the Bank Recovery and Resolution Directive. The collected data will be used by EBA in order to draft a report on the implementation of the principle of proportionality in the different Member states.

If you have comments on the consultations we would be grateful if you would send your responses to the EFBS office by **28 November 2014**.

If you have further questions, please contact us at any time.

Yours sincerely,



Andreas J. Zehnder
Managing Director
European Federation of Building Societies

Annex

- Draft Guidelines on the application of simplified obligations under article 4 of the Bank Recovery and Resolution Directive (BRRD)
- Draft Implementing Technical Standards on the uniform formats, templates and definitions for the identification and transmission of information by competent authorities and resolution authorities to the EBA for the purposes of article 4 (7) of the Bank Recovery and Resolution Directive