



EBA BS 2019 093

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Board of Supervisors

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19 February 2019/14:00-17:45

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Location: London

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EBA-Regular Use

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# Board of Supervisors meeting – Final Minutes

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## Agenda item 1: Selection of the EBA Chairperson – interviews with candidates

1. The EBA Interim Chairperson welcomed the participants. He informed that only the Board of Supervisors (BoS) Voting Members and their Alternates, as well as the Non-Voting BoS Members and the BoS Observers were present during the morning session of the BoS meeting. He thanked the Selection Committee and the EBA staff involved in the preparation of the selection procedure. He also mentioned that the UK representatives informed him that they would not be participating in the selection due to ongoing Brexit preparations. He continued by briefly summarising the selection procedure and outlining the agenda of the session, in particular the process for the interviews with the candidates and follow up questions from the BoS Members.
2. The Chair of the Selection Committee continued by presenting conclusions of the Selection Committee and the Interim Chairperson read out a letter from the ECON summarising ECON's views on the preferred candidate after informal exchanges of views held with all three candidates.
3. The presentations of the candidates and questions and answers' sessions followed.
4. Finally, a secret ballot vote was held. The BoS Members were asked to select their preferred candidate.

## Conclusions

5. The BoS selected José Manuel Campa as the new EBA Chairperson.
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6. The remaining candidates were placed on a reserve list. The Interim Chairperson would inform the ECON Chair of the appointment in view of the European Parliament's right to object within one month.

## Agenda item 2: Welcome and approval of the Agenda and Minutes

7. The Interim Chairperson welcomed the participants. The BoS approved the Agenda of the meeting and the Minutes of the BoS meeting held on 11 – 12 December 2018.
8. The Interim Chairperson welcomed a new BoS Alternate from Malta.
9. The Interim Chairperson reminded the BoS that the BoS Away Day was scheduled on 9 – 10 July 2019. However, there was no decision on the location so far and he asked the BoS to contact the EBA Executive Director after the meeting should they have proposals to host the meeting.
10. The Interim Chairperson reminded the BoS that the Commission has asked the EBA to investigate the Danish and Estonian supervisors in relation to their supervision of Danske Bank and money laundering activities in its Estonian branch. Following the staff's preliminary enquiries, the EBA opened an investigation.
11. Finally, the Interim Chairperson pointed out that the EBA launched a call for candidates for the Breach of Union law Panel. However, the call did not generate any interest. Therefore, the EBA would look at other ways on appointment of new candidates.

### Conclusion

12. The BoS approved the Agenda and the Minutes of the BoS meeting held on 11 – 12 December 2018.

## Agenda item 3: Update on risk and vulnerabilities in the EU

13. The EBA Director of Economic Analysis and Statistics (EAS) department presented the latest EBA update on risks and vulnerabilities. Topics covered during his presentation included trends in asset quality and NPL reduction, profitability, CCyBs and the link to a potential economic decline, and funding.
14. A presentation from the Romanian BoS Member followed, covering the conditions of the country's banking sector and recent legislative initiatives related to financial institutions. He introduced the item by summarising main features of the national banking sector. He continued by explaining the background of the introduction of a tax on banks' financial assets set up based on ROBOR (Romanian Interbank Offer Rate). He pointed out that despite the decrease of NPLs and good levels of capitalization, liquidity and profitability, there were factors that might slow down the positive trends. He concluded that the new tax law represented the main concern for the banking industry because a high ROBOR would hit on banks profitability

both due to the high amount of taxes to be paid and the higher provisions expenses for NPLs that would likely increase over time.

15. The BoS discussed the key messages of the two presentations, including the legislative measures in Romania, trends in CCyBs and their setting, banks' subdued profitability, banks' dividend policies, and funding. On the latter, the Director of EAS concluded that the next BoS risk presentation would aim to cover an analysis of trends in unsecured funding compared to secured funding.

## Agenda item 4: EU-wide stress test – Main lessons learnt and possible way forward for the 2020 stress test

16. The Interim Chairperson reminded the BoS that at the last meeting in December, the BoS decided that the next exercise would take place in 2020 and not in 2019. In the same meeting, the BoS also set guidance on changes to the 2020 exercise, as well as agreed to start the discussions on the longer-term changes to the stress test.
17. The Director of the EAS department continued by mentioning that since the BoS meeting, the EBA held a discussion with the industry for collecting feedback and suggestions from the banks participating in the 2018 stress test. Based on BoS guidance and industry feedback, in the context of process, the EBA proposed to keep the sample criteria similar to the 2018 exercise (broadly the same sample), shorten the timeline of the exercise and to finalise the FAQ process earlier. In addition, in the FAQ process questions received from SREP banks would be included, but only if the questions were of relevance to other banks in the sample with respect to the EBA methodology and templates. The Director of the EAS department continued by pointing out that adjustments to historical constraints (caps and floors) based on pro-forma data would be beneficial for more accurate projections when major changes to banks' balance sheets occur in the years before the launch of the exercise, therefore they would be considered for the 2020 exercise. Furthermore, the templates have been simplified and some changes were made to the transparency information collected. With regard to the NII part of methodology on sight deposits, the Director of the EAS department mentioned that the EBA was considering simplifying and harmonising the treatment of sight deposits' categories. He continued by pointing out that the EBA was considering to introduce more proportionality in the market risk part of the methodology and to optimise data requirements for bank with a significant market activity as well as for those with less such activities. The BoS members were asked to express their views on the proposed changes and current work done by the STTF/MTF. In particular, they were asked to share their views on the usage of internal models for sight deposits and a more risk sensitive floor for market risk impact. He concluded by mentioning that for the purpose of receiving views on the benefits and shortcomings of the current setting, as well as proposals on possible ways forward, the EBA would, as a part of potential introduction of longer-term changes, interact with all the relevant stakeholders, including banks, investors, analysts and academics. The final objective is to deliver a discussion paper on the future EU-wide stress test exercises to the BoS in Q4 2019.

18. In relation to the timeline, many BoS Members were concerned that they would not be able to finalise the exercise by early July, meaning that this deadline might be slightly extended. Members agreed that the FAQ process should be finalised ahead of second submission (meaning by the second submission questions should be addressed). One Member proposed to shorten the time for providing answers from current 7 – 11 days to 2 – 4 days. Regarding additional templates for quality assurance, there was general agreement that all expected data needs should be reflected in EBA templates but still some ad hoc data requests can happen.
19. Many BoS Members commented, some critically, on internal models for sight deposits and agreed that the new categorisation should deliver realistic outcomes without overcomplicating the methodology.
20. Members also raised other issues that were not tackled in the BoS note. A proposal from one member on credit risk was to re-discuss the treatment of old stage 3 exposures, splitting old and new. It was agreed that the MTF could incorporate such changes, but without overcomplicating the methodology. Several members discussed the sovereign pass through framework connected to the NII part, some expressed concerns whether banks in a most severe economic crisis and considering the competitive environment were really able to charge an increased sovereign spread to their clients. In addition, members suggested considering limiting the income recovery in the market risk, especially through further restricting the client revenue recovery. Some of the members raised that the BoS should be more involved in designing the stress test macro-financial scenario, for assuring consistency and adequate severity. The latter part should be also considered for the longer-term changes.
21. Several Members expressed their views on climate change introduction. They were concerned about mixing regular stress testing with longer-term climate change scenario. In his reply, the Director of the EAS department explained that this issue would be further discussed with the ESRB.

## Conclusion

22. The BoS supported the ongoing work on preparation of the 2020 stress test exercise.
23. The BoS agreed not to allow internal models for sight deposits in the next stress test exercise.
24. Regarding the risk sensitive floor for market risk, the BoS supported the STTF/MTF to explore the option, conditional to developing a floor that was as conservative as the 2018 “non-risk sensitive” one.
25. Finally, the BoS supported the longer-term changes proposal.

## Agenda item 5: FinTech: Opinion on legislative improvements to enhance ICT risk management and cybersecurity

26. The Interim Chairperson reminded the BoS that the Joint Advice was related to the request stemming from the EC FinTech Action Plan, for which the EBA was working together with the ESAs. In the request, the European Commission (EC) invited the ESAs to map existing supervisory practices across financial sectors around ICT security and governance and to propose legislative improvements if needed on ICT risk management and ICT security. Based on this request, the EBA Director of Banking Markets, Innovations and Consumers (BMIC) department presented the Draft Joint Advice to BoS Members and the ESAs analysed their relevant sectoral legislation and made three proposals (i) on the introduction of new Articles on operational resilience under CRD and PSD2 to address any types of operational disruptions, (ii) on the need for the EC to consider harmonization of certain components of incident reporting frameworks (e.g. templates and taxonomy), and (iii) for the EC to consider potential oversight of third party providers, specifically cloud service providers, in the interests of maintaining financial stability.
27. The BoS Members commented mainly on the proposal for oversight of third party providers. Some Members raised concerns on whether national supervisors should extend their role to oversight of third party providers and that such oversight should not detract from the role and responsibilities of institutions to monitor their outsourcing risks. On the other hand, other Members demonstrated support for the proposals and agreed that it should be possible for supervisors to have access to these providers, also in light of past onsite inspections which revealed that small credit institutions are not necessarily in a position to effectively address IT-related findings with their much bigger IT service providers. They supported that the EBA would analyse this proposal further and that an EU response would be welcomed.
28. In his response, the Director of BMIC department summarised that the proposal did not detract from the micro prudential requirements of banks to monitor their outsourcing risks and that wording to this effect could be added to the draft Joint Advice.
29. The Interim Chairperson concluded that the draft Joint Advice would be revised by the ESAs and would go to the JC in March and to the three ESA Boards again in March via written procedure.

## The Agenda item 6: FinTech: Opinion on coherent cyber threat testing framework

30. The Interim Chairperson introduced the item by referring to the EC FinTech Action Plan and clarified that, as for the previous item, the ESAs cooperated on the drafting of the presented draft Joint Advice.
31. The EBA Head of Banking Markets, Innovation and Products (BMIP) unit continued by pointing out that the ESAs considered a staged implementation of a coherent cyber resilience testing framework as the most beneficial. Furthermore, the ESAs identified short and long-term solutions. As a short-term solution, a cyber-resilience baseline should be achieved through EBA Guidelines on ICT and security risk management and similar ESAs initiatives. In addition,

the establishment of a coherent cyber-resilience testing framework (by the ESAs and other relevant authorities) focusing on TLPT should be facilitated by EC. In the long term, when the necessary coherent cyber resilience testing framework would be in place and a sufficient cyber ‘maturity level’ would be developed across institutions, the EC should consider the possibility for cyber resilience testing exercises for the identified most systemic, critical and significant institutions. She concluded by explaining that to facilitate the implementation of these solutions, the ESAs saw the need for legislative changes, including a mandate for the ESAs together with other relevant authorities to develop sector-specific guidance on how a coherent cyber resilience testing framework should be implemented.

32. Some BoS Members expressed their support for the work but highlighted that there was no need for a development of a new framework and that cyber-expert resources were limited.
33. The Interim Chairperson concluded that the draft Joint Advice would be revised by the ESAs and would go to the JC in March and to the three ESA Boards again in March via written procedure.

## Agenda item 7: EBA Consumer Trends Report 2018/19

34. The Interim Chairperson introduced the item by reminding the BoS Members that the EBA had an explicit mandate in its founding Regulation to develop and publish the Consumer Trends Report on a regular basis. He summarised that the Report identified the trends and issues related to the retail banking products and services within the scope of action of the EBA, as well as the most common ‘topical issues’ that may result in consumer detriment across the EU. He concluded by pointing out that the Report has been produced on biennial basis and that it has become a ‘flagship’ publication of the EBA in the consumer protection space.
35. The Head of Conduct, Payments and Consumer (COPAC) unit continued by explaining that for this edition of the Report, the EBA collected input from various stakeholders, such as CAs, consumer and industry associations, the members of ‘Financial Dispute Resolution Network’ (FIN-NET members), as well as data from external data sources such as the European Central Bank and the World Bank. The EBA also organized a pilot workshop for consumer associations that provided insightful information and carried out a more thorough assessment of the observed trends and issues, and enhanced the structure and the visualisation of the report. He concluded by saying that the Report set out the priorities for EBA’s consumer protection work going forward for 2019/20.

## Conclusions

36. The BoS approved the Report for publication.

## Agenda Item 8: Update on EBA’s relocation to Paris

37. The EBA Director of Operations updated the BoS on the headquarters agreement and mentioned that for this purpose, the EBA was in close contact with the French Finance Ministry. The EBA was expecting to sign the agreement in the coming days.
38. Regarding the premises, the Director of Operations confirmed that the EBA would not be able to move to its new premises before the end of May 2019. This was because the timeline for the fit out was envisaged by mid-April and afterwards, the EBA would need another month to install IT and AV equipment as well as furniture. However, in the meantime, the EBA senior management would be present in Paris as of April and the EBA was in the process of renting a small office space for this purpose.
39. On the Data Centre Migration Project, the Director of Operations said that there was a nine-week delay but that it did not have any major impact on the relocation timeline. He also mentioned that the contract with current data provider would end in March 2019 and that in February, the data migration should be fully finished.
40. The Director of Operations concluded by saying that that the EBA staff received a lot of support from the Choose Paris Region in a form of presentations as well as two staff members present at the EBA premises. He also mentioned that the EBA was discussing working arrangements with the EC after 29 March 2019.

## The Agenda item 9: Brexit-related issues

41. Discussion in a restricted setting (EU 27).

## The Agenda item 10: Revision of Guidelines on outsourcing of credit institutions' business activities

42. As an introduction, the Interim Chairperson pointed out that the tabled guidelines were updating the 2006 CEBS guidelines on outsourcing and that they integrated the recommendation on outsourcing to cloud service providers. He also mentioned that these guidelines were consistent with requirements on outsourcing set out under MiFID and PSD to ensure that institutions can apply one single framework to all outsourcing arrangements.
43. The Director of Prudential Regulation and Supervisory Policy department (PRSP) continued by pointing out the areas that have been harmonised, i.e. the definition of outsourcing, the scope of critical and important functions, the purpose and content of the register of all outsourcing arrangements and the audit rights that need to be ensured for institutions and competent authorities. She clarified that the guidelines took into account the principle of proportionality and differentiate between requirements for the outsourcing of critical or important functions and other, non-material, outsourcing arrangements. The guidelines also provided examples of functions that are not considered being outsourcing. Furthermore, the guidelines set out the outsourcing process ranging from the risk assessment, due diligence process, contractual phase, monitoring to the exit from outsourcing arrangements. The Director of PRSP pointed to



a few clerical corrections (reference to Art 109(1) CRD and 7 CRR, amendment regarding paragraph 58 to ensure any misunderstanding regarding the fact that a certain set of information has to be conveyed for new/planned outsourcing arrangements to competent authorities) that had to be made. Finally, she presented different solutions for the ongoing discussion on paragraph 47 that deals with the conditions of intragroup/IPS outsourcing arrangements. The SRB explained that the proposed drafting in the tabled version would appropriately ensure the viability of an intragroup service provider in a resolution scenario. The BoS was asked to decide on one of the three drafting proposals, as there was no immediate consensus on the discussed versions.

## Conclusions

44. The BoS agreed to use the initially tabled wording of paragraph 47 and that the EBA would make the clerical corrections.
45. The BoS agreed with the publication of the guidelines.

## Agenda Item 11: Q&A-related discussion

### A) Action plan for IAS audit report recommendation 1 – Backlog of Reporting Q&As

46. The Interim Chairperson introduced the item by reminding the BoS Members that the audit of the Q&A activity took place between 19 and 23 March 2018. The Audit Report identified three main findings and recommendations, amongst them recommendation 1 - to be addressed in priority - concerns the backlog of open Q&A on Supervisory Reporting.
47. The Head of Policy Coordination Unit (PAC) explained that the EBA drafted an action plan with short and medium-term actions to resolve the issue. The aim of the plan was to resolve the backlog before the mainstream of work on the CRD5/CRR2 package starts, as this work would put pressure on resources. He continued by summarising the actions. Under the short-term actions, the aim was to reject already identified category 3 Q&As and this action was almost completed. The medium-term actions consisted in clustering category 2 and 3 Q&As before drafting and reviewing category 2 Q&As. The clustering was well under way; hence, the drafting phase could start shortly. As regards the organization of this work, the Head of PAC explained that it should be done for each module (mainly FINREP, COREP, liquidity), by 3/4 experts working remotely or at the EBA, within a maximum of 5 sessions (2 weeks for drafting+1 meeting). Following drafting, the standard process should be applied. As part of this work, experts would need to identify the necessary corrections triggered by the Q&As (i.e. changes in the instructions, templates, validation rules and DPM, identified as “action points” in the Q&A). Finally, he pointed out that for the drafting/review of Q&As, the EBA would launch a call for experts. In this context, he also mentioned the intention to strengthen the Q&A team and ensure that the allocation of available resources is more reflective of the distribution of Q&As between policy and reporting issues. While mindful of resource constraints, he



concluded by saying that the reduction of the backlog has become a recommendation of the European Commission's Internal Audit Service, stressing that the backlog also entails a reputational risk for the EBA, which had to be considered as much as the pressure on resources.

## Conclusion

48. The BoS approved the proposed action plan as well as the call for experts.

## B) Q&A implementing review report

49. The Interim Chairperson introduced the item by clarifying that this report was on the exercise launched last year and that the work has been carried out in accordance with the principles established in the process note discussed by the BoS in May 2018.

50. The leader of the EBA Q&A team summarised the report and stressed that its aim was to get a better understanding of the use and utility of Q&As, as well as their application – by CAs and institutions. He highlighted that at the same time, the EBA considered useful to put forward a set of non-prescriptive practices and measures to CAs and institutions to be applied to ensure more consistency when it comes to the use of Q&A process and the application of Q&A answers per se.

51. Several BoS Members stressed their support for the Q&A process and tool, characterising it as very useful, at times noting that the EBA should focus on drafting answers as well as reviewing the process to make it easier to follow and more proportionate. One BoS Member pointed out that the non-binding status of Q&As, the backlog and the lack of transparency of the process was problematic for them. Some Members suggested that any outcome agreed as a result of this initiative should not lead to new communication channels or introduce additional work for supervisors for the monitoring of Q&A. Improvements to the process could be considered but need to ensure that this does not result in disproportionate measures. In this context, the Members also noted that the backlog of unresolved Q&As, and the large number of Q&As received on validation rules should lead to a review whether this was linked to the development of these rules and possibly to the absence of testing. Additionally, some Members expressed concerns about the need for follow-up measures (step 2) and that, if any, these should be of limited scope given the moderate number of Q&As that were highlighted as not applied in the context of step 1. The BoS Members were not in favour of encouraging CAs or institutions to publish Q&As which they did not apply.

## Conclusion

52. The BoS supported a preparation of a sanitised version of the interim report for participating institutions, and for publishing this more widely.

53. The BoS agreed that the EBA would, subject to the outcome of the ESAs review, consider reviewing and improving the Q&A process and tool.

54. Finally, the BoS agreed that any follow-up work to be undertaken as part of step 2 would have to be carefully considered and possibly scaled down before resubmitting a proposal to the BoS for approval.

## Agenda Item 12: Guidelines on credit risk mitigation – consultation paper

55. The Interim Chairperson explained that the tabled draft guidelines clarified the credit risk mitigation (CRM) framework in the context of the Advanced IRB Approach (A-IRB) complementing the EBA report on the CRM framework (CRM report) which was focused on Standardised Approach (SA) and Foundation IRB Approach (F-IRB).
56. The Head of Risk-based Metrics (RBM) unit continued by mentioning that the draft guidelines have been developed in response to industry feedback as well as to the analysis carried out in the context of the CRM report, which outlined the complexity of the current CRR on the CRM framework. He also pointed out that the CRM topics which may deviate from the final Basel III framework or may lead to inconsistencies with the current CRR were not included in the draft guidelines but would instead be discussed in the context of the work on the call for advice on the final Basel III framework, including certain aspects of unfunded credit protection.
57. One BoS Member suggested organising a workshop with the EU banks to collect their feedback on the implementation of Basel III. The Head of RBM explained that such workshop would be helpful for other topics than those covered by the draft guidelines. For the topics related to the draft guidelines, banks may express their views during the 3-months consultation.

### Conclusion

58. The BoS approved the consultation paper for a publication and agreed to include a question to the industry related to the back-testing analysis of the substitution approach.

## Agenda Item 13: Guidelines on downturn LGD estimation – Final Report

59. The Head of RBM reminded the BoS Members that the estimation of downturn LGD has been discussed at EBA's tables for over 5 years now. The tabled guidelines set out how LGDs appropriate for an economic downturn should be estimated. The economic downturn should be identified in accordance with the RTS on economic downturn published in November 2018.
60. In relation to the reference value, one BoS Member proposed to replace the requirement of justification by an explanation. Another BoS Member pointed out a legal inconsistency in paragraph 16 and the Head of RBM confirmed that the EBA would look at it before the publication.

## Conclusion

61. The BoS approved the report by consensus.

## Agenda Item 14: Annual report on convergence of supervisory practices – Final Report

62. The Interim Chairperson introduced the item by reminding the BoS in accordance with the EBA mandate as included in its founding regulation and in accordance with CRD Article 107, the EBA has to report annually to the European Parliament and the Council on the degree of convergence of supervisory practices between Member States.
63. The Director of Prudential Regulation and Supervisory Policy department (PRSP) continued by explaining that the structure of the report follows the approach taken in 2017 and should enable comparison on the progress achieved, in particular regarding the convergence in the implementation of the 2014 SREP Guidelines. She continued by pointing out that the report does not explicitly covers supervisory measures, contrary to the previous round. This was due to the absence of analysis of P2R and P2G conducted in 2018 and given lateness following stress tests. She concluded by mentioning that the report had two new sections; one dedicated to the convergence of the supervisory practices in the continuum between ongoing supervision, recovery and resolution, and a second one that included a convergence plan for 2019, to be taken on board by all the competent authorities.
64. The SRB representative requested clarification on paragraphs 104 and 105 and the Director of PRSP specified that the EBA would add a sentence to the report explaining that some aspects related to the cooperation between resolution authorities and competent authorities were not assessed for the purpose of this report. However, these aspects would be covered in more detail in the reports related to the 2018 EBA activities on resolution.

## Conclusion

65. The BoS approved the report by consensus.

## Agenda Item 15: Call for Advice for the purposes of a benchmarking of national Loan enforcement frameworks (including insolvency frameworks) from a bank credit perspective

66. The Director of EAS informed that the EBA has received in January 2019 a Call for Advice from the EC for the purposes of a benchmarking of National Loan Enforcement (including insolvency) Frameworks. This request stemmed from the Communication on completing the Banking Union (October 2017) and as a follow-up to the Council's request in the context of its action plan to tackle NPLs in the EU (ECOFIN, 2017). He explained several constraints associated with typical bank data collection exercises, the existing EBA workload and the issues related to the forthcoming EBA relocation to Paris. Based on these, the EBA would not be in a

position to fulfil the mandate by June 2019 as requested by the EC. The Director of EAS therefore proposed to have a two-step approach, according to which the EBA would collect first data by December 2019 and the report by June 2020.

67. The EC representative explained the background of their request and mentioned that the need for timely follow-up comes from the request by the Council in the NPL action plan. A clearer picture on the national enforcement frameworks (including insolvency) was also needed in order to finalize the broader work on NPLs and Banking Union. He also pointed out that neither the SSM nor an external contractor could provide sufficient information due to lack of data. Only banks directly could provide the necessary data. He concluded by saying that the EC would need a preliminary analysis by June 2019 because of the EU summit related to the Banking Union and the NPL roadmap.
68. Many BoS Members considered the topic of importance but agreed that the timing was very challenging. Several Members were of the view that the requested data were too detailed and raised concerns that some banks, mainly smaller ones, might not have such data. Finally, some Members proposed a two-phase approach, i.e. to provide a tentative, mostly qualitative analysis first and subsequently follow up with a quantitative exercise. The EC representative confirmed that the EC understood the challenges and did not oppose the two-phase approach, but requested more clarity what EBA would be able to deliver under each of the two steps. He also urged NCAs to participate in the qualitative survey on performance indicators.

## Agenda Item 16: AoB

### A) Update on the call for advice to the ESAs to collect evidence of undue short-term pressure from the financial sector on corporations

69. The Director of BMIC briefly explained that Following the Report of the EC's High-Level Expert Group on Sustainable Finance published in January 2018, the EC published the Action plan Financing Sustainable Growth on 8 March 2018 setting an EU strategy on sustainable finance and a roadmap for future work across the EU financial system. The action plan also called on the ESAs to i) provide direct support to its implementation, ii) provide guidance on how sustainability considerations can be taken into account in relevant EU financial services legislation, and to iii) promote convergence on the implementation of sustainability considerations in EU law. Based on this, the EBA has developed its own work program to translate the Action Plan of the Commission into specific projects that would affect several main areas of EBA supervisory tasks and regulations. In line with the Action plan, on 4 February 2019, the ESAs received a Call for Advice to deliver a report on undue short-term pressures from the financial sector on corporations by the end of 2019. The Director of BMIC pointed out that the issue was more for ESMA's and EIOPA's consideration but that the EBA would analyse the existing data and if necessary, would interact with competent authorities and issue a short questionnaire to the industry in order to provide feedback to the Call for Advice.

## B) EU Commission request for technical advice for review of DGSD

70. The Director of BMIC updated the BoS on the EC's request from 6 February, in which the EC requested a technical advice from the EBA in relation to the report on the implementation of the Deposit Guarantee Schemes Directive (DGSD) that the EC was required to submit to the EP and to the Council under Article 19(6) of the DGSD. He mentioned that the EBA had anticipated this request and in July 2018 set up a taskforce to focus on supporting the EC in preparing the report on the implementation of the Directive. He concluded by explaining that the EBA intended to deliver the technical advice to the EC in the form of three separate EBA opinions, on 1) DGS payouts, 2) DGS funding and uses of funds, and 3) eligibility, coverage and cooperation between DGSs.

## C) Network of innovation facilitators

71. The Director of BMIC reminded the BoS that in January 2019, the ESAs published their joint report on regulatory sandboxes and innovation hubs (innovation facilitators) setting out a comparative analysis of the schemes established to date, a set of best practices for the design and operation of innovation facilitators, and some options to enhance cooperation and coordination between national schemes, including the establishment of a network. He mentioned that the EC has considered the ESA report, supported it and would launch the network to enhance coordination and cooperation between national innovation facilitators in Brussels on 2 April 2019.

## D) Update on Draft decision on resolution reporting by resolution authorities to the EBA

72. The Director of PRSP briefly reminded the BoS that the ITS on information for resolution planning (ResRep) has been revised last year to cover resolution reporting from institutions towards resolution authorities. She mentioned that based on the information foreseen in the ITS, EBA intends to collect the information starting this year, with discussions on preparatory steps currently advancing at ResCo level. All reporting aspects would be framed by a Decision subject to BoS adoption, with the objective of adding resolution data-to-data collection currently covering supervisory information only.
73. One BoS Member requested clarification on the purpose of the data collection and pointed out that the scope of the collection should continue to be limited to institutions for which the resolution strategy is not liquidation. The SRB representative, as ResCo Chair, clarified that these points will be addressed by the written procedure currently ongoing with the next steps to be prepared at ResCo before the Decision would be submitted to the BoS.

## Participants at the Board of Supervisors' meeting

19 and 20 February 2019, London

Interim Chairperson: Jo Swyngedouw

<u>Country</u>	<u>Voting Member/High-Level Alternate<sup>1</sup></u>	<u>National/Central Bank</u>
1. Austria	Helmut Ettl	Karin Turner-Hrdlicka
2. Belgium	Jo Swyngedouw	David Guillaume
3. Bulgaria		
4. Croatia	Martina Drvar	
5. Cyprus	Stelios Georgakis	
6. Czech Republic	Zuzana Silberová	
7. Denmark	Jesper Berg	Peter E. Storgaard
8. Estonia	Andres Kurgpold	Indrek Saapar
9. Finland	Anneli Tuominen	
10. France	Édouard Fernández-Bollo/ Frédéric Visnovsky	
11. Germany	Raimund Röseler/Peter Lutz	Erich Loeper
12. Greece	Spyridoula Papagiannidou	
13. Hungary	Csaba Kandracs	
14. Ireland	Ed Sibley	
15. Italy	Andrea Pilati	
16. Latvia	Gunta Razane	Vita Pilsuma
17. Lithuania	Vytautas Valvonis	
18. Luxembourg	Martine Wagner	Christian Friedrich
19. Malta	Pierre-Paul Gauci	Oliver Bonello
20. Netherlands	Maarten Gelderman/Sandra Wesseling	
21. Poland	Mariusz Hajduk	Maciej Brzozowski
22. Portugal	Pedro Duarte Neves	
23. Romania	Nicolae Cinteza	
24. Slovakia	Tatiana Dubinová	
25. Slovenia	Marko Bosnjak	
26. Spain	Jesús Saurina Salas/Alberto Ríos Blanco	
27. Sweden	Martin Noréus	David Forsman
28. UK	Sam Woods/Charlotte Gerken	

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<sup>1</sup> Accompanying experts: Ingeborg Stuhlbacher (Austrian Finanzmarktaufsicht); Kurt Van Raemdonck (National Bank of Belgium); Hana Marcikova (Czech National Bank); Christian Elbers (BaFin); Constantinos Botopoulos (Bank of Greece); Gina Fitzgerald (Central Bank of Ireland); Michele Lanotte (Banca d'Italia); Laura Arts (De Nederlandsche Bank); Nina Rajtar (Polish Financial Supervisory Authority); Jose Rosas (Banco de Portugal); Katarina Klacanska (National Bank of Slovakia); Nigel Fray (Bank of England's PRA); Ivo Jarofke (European Commission)

<b><u>Country</u></b>	<b><u>Member</u></b>	<b><u>Representative NCB</u></b>
1. Iceland	Finnur Sveinbjornsson	Kristjana Jonsdottir
2. Liechtenstein	Patrick Bont	
3. Norway	Morten Baltzersen	Sindre Weme

<b><u>Observer</u></b>	<b><u>Representative</u></b>
1. SRB	Dominique Laboureix

<b><u>Other Non-voting Members</u></b>	<b><u>Representative</u></b>
1. SSM	Korbinian Ibel/Fatima Pires
2. European Commission	Martin Merlin
3. EIOPA	Kai Kosik
4. ESMA	Verena Ross
5. EFTA Surveillance Authority	Marco Uccelli/Gunnar Thor Petursson
6. ESRB	Tuomas Peltonen

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