EBA publishes its roadmap on the risk reduction measures package

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**The European Banking Authority (EBA) published today a set of roadmaps outlining its approach and timelines for delivering the mandates stemming from the Risk Reduction Measures Package adopted by the Council of the EU and the European Parliament on 20 May 2019. These mandates are mainly focused in the areas of  governance and remuneration, large exposures, resolution as well as reporting and disclosure. Besides clarifying the sequencing of mandates and the rationale behind their prioritisation, the roadmaps aim at providing a preliminary understanding of the mandates combined with some policy guidance. Through this work, the EBA will contribute to making the European Single Rulebook more comprehensive, proportionate and apt to reflect developments in the banking sector.**

The Risk Reduction Package allocates to the EBA more than 100 new mandates under the revised Capital Requirements Directive (CRD V), Capital Requirements Regulation (CRR II), Bank Recovery and Resolution Directive (BRRD II). Most of the mandates aim at completing and updating the Single Rulebook as well at monitoring regulatory practices within the Single Market to ensure the effective and consistent implementation of such rules.

In the area of governance, the EBA will contribute to optimising the existing framework with an emphasis on the finalisation of the remuneration deliverables. In the area of large exposures, the EBA’s priority will be to complete the framework where currently no EBA work exists, namely for determining exposures arising from derivatives. In the area of Pillar 2, the EBA will consider how to make the Pillar 2 framework fit for purpose in view of ongoing and new challenges. In particular, proportionality will be strengthened, and the anti-money laundering and counter-terrorist financing (AML/CTF) and sustainable finance dimensions will be clarified together with Pillar 2 capital add-ons. On resolution, the EBA’s work aims at facilitating effective resolution planning and preparedness, such as on MREL calibration and monitoring In the area of supervisory reporting, the EBA aims at achieving an efficient reporting framework with enhanced proportionality. Finally with its work on disclosure, the EBA aims to become the EU-wide Pillar 3 hub following the completion of the EUCLID project.

**Note to the editors**

The risk reduction measures package, which was proposed by the Commission in November 2016 and adopted by the Council of the EU and the European Parliament on 20 May 2019, represents an important step towards the completion of the European post-crisis regulatory reforms. The package is also a response to the June 2016 ECOFIN Council conclusions, which invited the Commission to put forward proposals to further reduce risks in the financial sector no later than by the end of 2016.

The banking package includes the elements of the Basel III framework already agreed at international level at the time of the Commission's proposal.