EBA publishes report on cost and performance of structured deposits

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**The European Banking Authority (EBA) published today a report on the costs and performance of structured deposits in the European Union (EU). The report is a response to a request the EBA had received from the EU Commission as part of the implementation of it**[**Capital Market Union Action Plan**](https://ec.europa.eu/info/business-economy-euro/growth-and-investment/capital-markets-union_en)**and concludes that the market for structured deposits in the EU appears to be limited in size and that data on costs and performance is not widely available. The report, therefore, also sets out the steps the EBA will take to enhance the data quality in the future.**

As part of the implementation of the Capital Markets Union Action Plan, in October 2017, the European Commission sent a formal request to the three European Supervisory Authorities (EBA, ESMA and EIOPA) to issue, by the end of 2018, reports on the cost and past performance of the main categories of retail investment, insurance and pension products.

The request specified that the reports should be based on data reporting that is already required by Union or national law and should include a description of data gaps and other difficulties faced during the development of the report, including any potential recommendations for the future reporting cycles.

The only product category in the EBA's consumer protection remit that is included in the request are structured deposits, which are deposits that are linked to an underlying asset but are repayable at par at maturity. The report includes a mapping of the specific regulatory requirements on pre-contractual disclosure and/or reporting applicable to structured deposits at European and national level and also identifies the data sources that would be required to fulfil the request. The report arrives at the view that the market for structured deposits in the EU is limited in size and that data on costs and performance is not widely available. It concludes by setting out steps that the EBA will take to obtain more accurate and standardised data in the future and, in so doing, enhance the reliability and overall quality of its response.