
Press release

AFME welcomes political agreement on Banking Package, but more work to do to complete Banking Union

4 December 2018

Following the ECOFIN meeting of finance ministers today and the announcement that a political agreement has been reached on the Risk Reduction Measures (RRM) package, Michael Lever, Head of Prudential Regulation, said:

On unlocking progress towards a Banking Union:

“We welcome today’s political agreement on the package of banking and resolution measures which represent an important further step towards reducing risks in the banking system and avoiding national taxpayer funded bailouts. Together with already significant strengthening of banks’ balance sheets, including substantial reductions in the stocks of non-performing loans, these improvements should enable further progress to be made towards the completion of Banking Union. This should include the establishment of a credible backstop for the Single Resolution Fund, which we encourage EU leaders to support during their next summit, and the delivery in the coming months of a European Deposit Insurance Scheme.”

But barriers remain:

“Unfortunately, the risk reduction measures have failed to remove barriers to the free-flow of capital and liquidity across the EU, or even within the Banking Union. And in some areas, such as requirements for fully proportioned internal MREL, new barriers have been put in place which are not in keeping with the broader objectives of Banking Union.

On making Banking Union a reality:

“While we appreciate the need to introduce all major elements of the RRM package into the EU framework in a timely manner, it is regrettable that in some areas, barriers to full integration remain and that the agreement does not include commitments to review and remove these regulatory obstacles. We call on Member States to support the next Commission in making Banking Union a reality”.

– Ends –

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About AFME:

AFME (Association for Financial Markets in Europe) advocates for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society. AFME is the voice of all Europe’s wholesale financial markets, providing expertise across a broad

range of regulatory and capital markets issues. AFME aims to act as a bridge between market participants and policy makers across Europe, drawing on its strong and long-standing relationships, its technical knowledge and fact-based work. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: www.afme.eu. Follow us on Twitter @AFME_EU