
Press release

AFME welcomes further progress on Banking Union

29 June 2018

Following the European Council meeting today and discussions on the Banking Union, Simon Lewis, Chief Executive of AFME, said:

“As a strong supporter of Banking Union, AFME welcomes the good progress made towards completing this important project. We are encouraged by the European Council agreement today to create a common backstop to the Single Resolution Fund and the commitment to further work in support of political negotiations on the European Deposit Insurance Scheme.”

AFME feels a great deal has already been achieved towards the reduction of risk which is a prerequisite for the completion of Banking Union. And by the end of this year we hope to see the Risk Reduction package finalised and progress made on the proposals for a European Deposit Insurance Scheme. It is important that this package helps remove the significant impediments to the efficient internal capital, MREL and liquidity allocation within cross-border banks in order to counteract the trend towards market fragmentation and brittle markets in the Union.

In addition, AFME hopes to see good progress made on the NPL action plan, as well as the Commission’s Directive on a preventive restructuring framework, second chance and insolvency procedures. We also encourage further consideration of the framework for the provision of liquidity to firms in resolution. Taken together, the effective implementation of all the above measures should help deliver lower risk and well-functioning capital markets which need to go hand in hand with risk-sharing measures in Europe, if we are to achieve a fully-fledged Banking Union.

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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