
Press release

AFME welcomes agreement on CRR but encourages ongoing review of requirements

9 June 2020

Following the vote in the ECON Committee today, **Michael Lever, Head of Prudential Regulation at AFME**, said:

“AFME welcomes the changes to the Capital Requirements Regulation in response to the Covid-19 crisis. This was achieved in record time and should allow banks to take advantage of the proposed changes in their Q2 figures, if formally adopted as planned during the 19 June plenary session.

“Together with other previously announced measures of supervisory flexibility, these changes free up significant amounts of banks’ capital, helping them to fulfil their vital role of speedily channelling funding to where it is most needed.

“With Europe facing an unprecedented economic challenge, the exact funding needs of the economy are very difficult to estimate at this stage. It is crucial therefore that the prudential framework is closely monitored to ensure sufficient capital headroom for banks and to maximise the opportunities for both lending and market-based refinancing solutions to support the recovery.

“In time there will also be lessons to be learnt from how regulators and other bodies responded to this crisis. For example, the differences between the scale and nature of the assistance that has been provided to the economy in different jurisdictions, and the variations in the regulatory treatment applied to such assistance should be reflected on. This will be necessary to ensure that such differences do not exacerbate market fragmentation or otherwise lead to an unlevel playing field among European and global banks.”

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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.

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