AFME priorities for banking regulation for the new EU legislative cycle

November 2024

Contents

EXECUTIVE SUMMARY 3

BACKGROUND 5

RECOMMENDED PRIORITIES IN THE BANKING REGULATION FRAMEWORK 7

FRTB Delegated Act and associated issues (CRR3) 7

The EBA's work - avoiding the risk of recurring over conservatism 8

Net Stable Funding Ratio treatment of reverse repos (CRR2) 10

Improving the EU's securitisation framework (prudential and non-prudential) 11

Prudential treatment of crypto-assets 13

Crisis management and deposit insurance framework (CMDI) 14

Liquidity funding in resolution 17

Macroprudential framework for banks 17

SRF target level and contributions 18

Capital and liquidity waivers 19

ABBREVIATIONS 21

Executive Summary

The financial system is critical to the functioning of the EU economy and banks play a key role in supporting it. In a context where Europe is facing urgent and transformational challenges, financial markets need to upgrade their ability to meet generational investment needs.

As stressed by prominent voices[1] in recent weeks, promoting financial stability and the resilience of banks should not mean setting aside the need to ensure the competitiveness of the financial sector.

Several factors contribute to the reduced competitiveness of banks In this paper we identify some of the issues that deserve consideration in the coming months. Longer term themes are also covered in this paper.

With the implementation of the Basel III standards and following more than 15 years of comprehensive regulatory reform, the EU's banking regulatory framework finds itself at an inflection point. Increasingly stricter prudential requirements cannot be considered the solution to every problem. A more risk sensitive approach is necessary, where a stocktake of the framework leads to targeted changes focused on achieving EU common goals related to the financing needs of the EU's consumers, corporates and overall global competitive standing. The rise of geopolitical tensions and jurisdictional fragmentations make this an economic imperative.

The new EU policy cycle provides an opportunity to assess the current regulatory framework to align it with the EU's broader strategic objectives. This should be done with the objective of enabling all banks operating in the EU to remain competitive in an increasingly fragmented global landscape..

With the above in mind, we describe below some of the key priorities AFME has identified with respect to the evolution of the EU banking regulatory framework and our proposed solutions for EU policymakers to consider and work towards in the new legislative cycle:

1. **Ensuring a global level playing field** - Banks active in the EU should not be disadvantaged by policy decisions which lead to significant divergences from other major jurisdictions. This is currently especially important in relation to the EU's CRR3 market risk framework (FRTB) but the same logic should also be applied more generally and extended to other areas such as (under CRR2) the treatment of reverse repos in the Net Stable Funding Ratio (NSFR) or the EU's interim prudential treatment of crypto-assets. It is important to avoid unnecessary regulatory fragmentation wherever possible. Markets businesses of banks are inherently global and temporary significant differences in capital consumed by the services provided can lead to changes in the competitive landscape, especially if the distortions exist for extended periods of time.

2. **The impact of implementing measures needs to be considered carefully, and 'gold-plating' avoided** - Level 2 measures (as well as, Level 3 measures and supervisory expectations) should not result in increases in capital requirements which are not justified in light of the Level 1 provisions. It is imperative that the EBA and co-legislators ensure that mandates are developed in a manner that respects the intention of co-legislators in the Level 1 text , in terms of content and capital impact. Related SSM supervisory practices should align

[1] The need to avoid unintended impacts on the competitiveness of banks in the EU to be able to finance the economy is highlighted in the recent report on EU competitiveness prepared by Mario Draghi. The recent (September 2024) joint letter by the Italian, French and German Ministries of Finance also emphasises this aspect.

accordingly. Failing to do so could further exacerbate the EU's banking sector's lagging profitability as capital is trapped while it could be deployed for more productive and forward looking-purposes.

3. **The EU framework needs to enable the use of securitisation as a tool to mobilise investment resources and reach CMU objectives** - Ensuring the recent momentum around improving the EU's securitisation framework results in concrete prudential and non-prudential changes aimed at enabling access to cost effective credit for both consumers and wholesale market segments. EU securitisation has proven to perform well from a financial stability perspective and any persisting stigma is not justified. We welcome the fact that policymakers are increasingly realising that securitisation is a highly investible asset class which can incentivise EU investors to finance the EU's economic needs by providing a versatile product with conservative and stable returns for risk averse investors but at the same time provide equity like returns for those investors with a larger risk appetite.

4. **It is important that the Crisis Management and Deposit Insurance (CMDI) negotiations are finalised** - As we near the beginning of trilogue negotiations of the Crisis Management and Deposit Insurance (CMDI), it is imperative that any reforms to the resolution framework do not prejudice the progress already achieved in the last 15 years. The EU should maintain a level of consistency in the tools and application of the framework at EU level in order to ensure that all banks regardless of their size or country of origin can fail in an orderly manner, have a plan in place to provide for this and have the resources to support it. Any use of common or mutualised funds to "bridge the gap" should come with strong safeguards to ensure that the risk of moral hazard is mitigated as much as possible.

5. **Removal of unnecessary burdens and duplicative requirements** - Assess whether certain areas of the banking regulatory framework meet their intended purposes and whether more structural changes are needed to simplify. This is especially the case for the EU's macroprudential framework for banks which has led to an accumulation of additional capital requirements for EU banks. We recognise work is already underway in the European Commission on a holistic review of the macroprudential framework with a view to the implementation of a coherent and transparent regime that works consistently across the EU.

   We would also urge policy makers to consider the capital set aside for the Single Resolution Fund (SRF) €78bn "war chest". While our primary request is for decision makers to reconsider further increases beyond the current level (and beyond 2024 contributions[2]), the SRF represents financial resources that (come on top of other safeguards such as MREL requirements) could otherwise be used productively to support the EU economy and contribute to European competitiveness. Changes to both SRF contributions calculation methodology and its target level will need to be considered to ensure the SRF doesn't remain an opportunity cost for the EU's economy. Comparative analysis across key jurisdictions shows that the safeguards in place in Europe to cover the cost of resolving banks exceed those in other jurisdictions.

AFME will continue to explore the above-mentioned priorities and stands ready to contribute to future analytical work and policy deliberations, by providing technical expertise and factual evidence.

[2] SRB press release on SRF contributions in 2024 as target level is reached. See here.

Background

Banks play many roles, with their core function being credit creation and maturity transformation which enables them to lend to the economy. Beyond lending, banks with investment banking activities serve corporates of all sizes as well as other banks and financial sector entities with access to capital and liquidity via market-based financing. In addition to helping end-users raise funds via primary markets, they make markets and provide liquidity so that securities and commodities can be bought and sold as efficiently and cost effectively as possible.

These functions are not readily substitutable as banks use their balance sheet capacity to transform maturities and size of exposure. Inherently and inevitably banks take on risk to provide such services to the market. They help institutional investors, such as insurance companies, pension funds and other asset managers, which represent individual investors, to access a diverse range of investment opportunities. Finally, they also provide foreign exchange services and risk management solutions to a wide range of corporates and financial institutions.

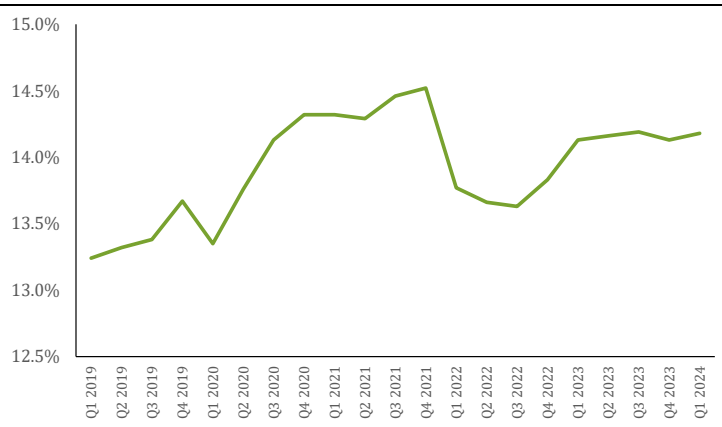
The provision of these services is often carried out by larger, internationally active banks as they have the reach and scale to access global investor bases and can invest in the infrastructure, technology, product development, trading expertise and risk management skills necessary to conduct such activities. By definition therefore, these banks operate across borders and will be better placed to serve their clients if they can harness the benefits of a Single Market.

Since the events of the Global Financial Crisis of a decade and a half ago, European banks have continued to strengthen their capital and liquidity levels[3] and have made major strides in improving their balance sheets.

*Table 1: Evolution of capital and liquidity ratios for EU globally systemic institutions (GSIBs), Source: AFME, Prudential data report Q1/2024**

	4Q13	4Q19	4Q20	4Q21	4Q22	4Q23	1Q24
CET1 ratio (end-point)	10.2%	13.7%	14.3%	14.5%	13.8%	14.1%	14.2%
T1 ratio (end-point)	-	15.6%	16.2%	16.5%	15.9%	16.1%	16.2%
Leverage ratio EU (end-point)	3.2%	4.9%	5.1%	5.2%	4.8%	4.8%	4.8%
Leverage ratio UK (end-point)	3.9%	4.8%	5.0%	4.8%	4.6%	4.5%	4.9%
Liquidity Coverage Ratio (LCR)	-	139.0%	152.0%	150.7%	145.1%	153.9%	155.5%
TLAC ratio % RWAs	-	27.0%	28.5%	30.1%	30.0%	31.8%	31.8%
TLAC ratio % exposure measur	-	8.6%	9.1%	9.4%	9.4%	9.7%	9.6%

Evolution of European GSIBs CET1 ratio 2019-2024, Source: AFME, Prudential data report Q1/2024[4]*



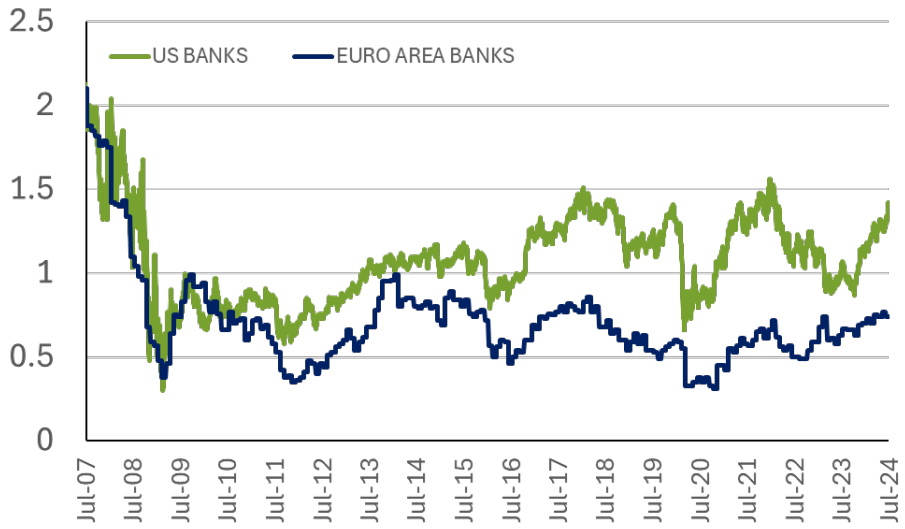
In recent times they have also clearly demonstrated that they are well positioned to weather a variety of shocks and support the economy through periods of stress. **Yet, despite these**

[3] Reference results of latest EBA stress test results: https://www.eba.europa.eu/publications-and-media/press-releases/eba-publishes-results-its-2023-eu-wide-stress-test#:~:text=The%20results%20of%20the%202023,rates%20and%20higher%20credit%20spreads.

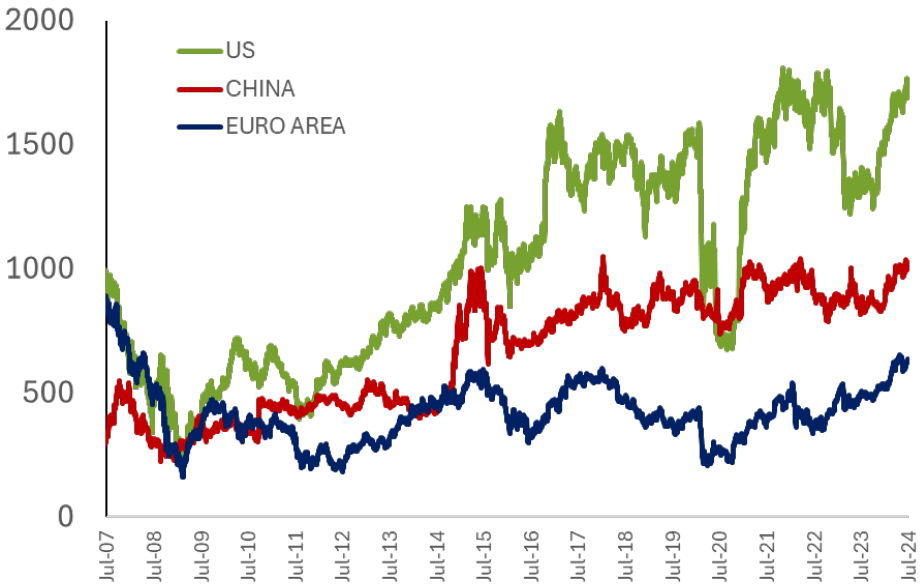
[4] https://www.afme.eu/Portals/0/DispatchFeaturedImages/AFME%20Prudential%20Report%20-%20Q1%202024.pdf

advances, the European banking sector continues to lag behind international peers, with market valuations remaining below those in other jurisdictions (see graphics below).

Price-to-book ratio of US and euro area banks (2007-24)[5]



Market capitalisation of US, Chinese and euro area banks (2007-24)[6]



The reasons for this are multiple and include longstanding political, regulatory and supervisory barriers which continue to hamper integration of the EU banking market.

[5] Eikon compilation (Refinitiv)
[6] Eikon compilation (Refinitiv)

If the EU is to continue progressing towards more financial integration and to successfully meet its significant investment needs of coming years, it is critical that it considers the competitiveness of its banking system[7] and banks' ability to provide both direct lending and capital market solutions to the benefit of the real economy and society at large.

Recommended priorities in the banking regulation framework

FRTB Delegated Act and associated issues (CRR3)

The industry has always stressed that it was crucial that the impact of Fundamental Review of the Trading Book framework (FRTB) on banks' wholesale activities is not further exacerbated by inconsistent timelines and transposition of the rules in key financial centers. This is why we acknowledge and welcome the delayed application of the market risk framework in the EU by one year to 1 January 2026, which will provide the EU banking sector with welcomed relief in light of the uncertainty as to the US Basel endgame implementation. This postponement will also allow the EU to take note of the future US market risk framework and accordingly consider potential divergences[8]. Recent announcements in the US and a decision to delay by the UK authorities, is further evidence of the need for a market risk framework delay at the EU level. When more clarity in the US is provided, the EU should be prepared to make use of scaling factors / multipliers for an accurate and proportionate application of the final EU version of the FRTB.

Delaying the implementation of the market risk framework was a necessary decision in light of the ongoing lack of clarity over both policy and timelines across other major jurisdictions. It is important to avoid unnecessary regulatory fragmentation wherever possible. It is also important to recognize that this delay will also have an impact on other interdependent parts of the framework namely the credit valuations adjustment framework (CVA) and the profit and loss attribution test (PLAT)[9] and that they too will need addressing to avoid operational inconsistencies[10]. Targeted operational relief measures could improve the framework to lighten the operational burden or to provide a level-playing field[11]. Aside from the changes, we believe that in the event of further delays and/or significant modifications of the Basel package are observed in other jurisdictions, the European Commission might contemplate additional actions under Article 461a CRR3.

Solution(s) - Although the CVA framework and the profit and loss attribution test (PLAT) are not addressed in the Commission's draft Delegated Act and associated Q&A, they also warrant further urgent consideration in light of the FRTB delay. Given the interdependence of the various regulatory frameworks, it is important to achieve an aligned timeframe of implementation and

[7] An imperative also brought forward in Mario Draghi's report: "the Future of European Competitiveness – A competitiveness strategy for Europe" (September 2024). See here.

[8] It is important to also note that the European Commission and EBA are tasked under Article 461a to monitor the global implementation for the market risk framework, and the EBA will provide a report on FRTB calibration and differences between EU rules and other jurisdictions. This will be important work going forward.

[9] The Profit and Loss Attribution Test (PLAT) is operationally challenging and requires significant investments to improve the data quality and processes.

[10] For example: Non-Modellable Risk Factors (NMRF) allow very limited diversification between different asset classes, which economically exist, leading to risk weighted assets outcomes that do not incentivise the adoption of internal models (IMA) by banks. Another example would be the inconsistencies in the application of the Default Risk Charge (DRC) between IMA and SA. The IMA DRC is stricter than the SA DRC, which penalises mostly sovereign bonds.

transition is important to avoid operational inconsistencies. In addition, the PLAT is a highly burdensome procedure that is expensive to implement. Certainty on timing may free up more resources and more banks might decide to continue using internal models which are considered to be more precise than standardised approaches. We expect the Commission and the EBA to continue to monitor these aspects, and to act accordingly when necessary, as the broader international situation becomes clearer[12].

The industry is committed to continue to engage constructively with the relevant authorities and suggest potential solutions on aspects of the framework we think require further improvement.

The EBA's work - avoiding the risk of recurring over conservatism

The EBA's Level 2 and 3 mandates are the means through which Level 1 text will be put into practice, and in some instances determine the level of impact of the final requirements. As such, we believe it is imperative that the EBA ensures that mandates are developed in a holistic fashion and in a manner that respects the intention of co-legislators in the Level 1 text.

Concern(s) – In a number of instances, the industry has identified examples in which the EBA's draft regulatory products (ITS,RTS or guidelines) have gone beyond, in both scope and in being overly conservative in its interpretation, that which was mandated by the co-legislators in the Level 1 text. Specific examples of this trend (primarily at Level 2 but not exclusively), include:

- The case of the draft Regulatory Technical Standards (RTS) on prudent valuation[13], where the benefit that would have derived from the increase in diversification in the proposed extraordinary circumstances framework (agreed in the aftermath of the 2020 Covid-19 experience), is undermined by further revisions proposed by the EBA that significantly reduce the relevant scope increase the impact on the CET1 filter of Additional Valuation Adjustments (AVAs). The scope reduction could be perceived as based on work that the EBA conducted on its 'own-initiative'. We believe such work should be consensual i.e. receive prior approval from the Commission and co-legislators before being instigated. This would ensure that the EBA's agreed responsibilities are respected and facilitate trust in the European legal and policy making process.

- Another important example that requires further consideration is the case of the consultation on the draft Implementation Technical Standard (ITS) on Pillar 3 disclosures, draft ITS on Supervisory Reporting[14]. In this consultation, credit institutions would have had to disclose their capital ratios based on a "fully loaded" approach, i.e. excluding the application of the transitional provisions on credit and counterparty risk. While some of these provisions have been removed from the final ITS, some remain concerning

[12] We would also recommend that regular FRTB/CRR3 quantitative impact studies are undertaken, like are currently performed in the UK and US. These could support further insights in FRTB/CRR3 impacts on banks, bank activity and markets.
[13] https://www.eba.europa.eu/sites/default/files/2024-01/a44040b4-da19-4beb-ad2d-935d9f2cd1a0/Consultation%20paper%20on%20amendments%20to%20the%20RTS%20on%20Prudent%20Valuation%20%28EBA-CP-2024-001%29.pdf
[14] www.eba.europa.eu/sites/default/files/2023-12/57e85048-f4a0-4650-afe3-d1f095948950/Consultation%20Paper%20on%20amendments%20to%20the%20ITS%20on%20Supervisory%20reporting_0.pdf

disclosure requirements which were not foreseen at level 1[15]. This inconsistency increases uncertainty which tends to be suboptimal for markets and market participants.

- The consultative paper on allocation of off-balance sheet items and unconditionally cancellable commitment (UCC) considerations[16] introduces significant changes that we believe go beyond the Basel standards agreed in December 2017 and CRR3 amendments in Annex I, in particular financing commitments for which the credit conversion factors (CCF) had landed at 40% while EBA introduces significantly higher levels (100%). This means that the exposure to a counterparty that has yet to be deployed will be accounted for almost completely, i.e. as if the banks had provided the loan. Consumer and retail financing credit lines are very common. The drawing dynamics are well understood by banks based on long series of data and analytics, hence the risk of under-provisioning for those lines is very low. Additional conservatism in the EU would especially harm retail customers but also banks in their ability to remain competitive in the retail sector.

- In the case of the draft RTS of the business indicator of operational risks[17], we consider that the proposals exceed their mandate and amend the CRR3 text. In particular, CRR3 excludes 'income and expenses from insurance or reinsurance business' from the calculation of the business indicator. In contrast, the RTS envisages their inclusion.

- With regards to the draft RTS on the taxonomy of operational risk losses[18], the EBA's proposed taxonomy for operational risk losses is much broader than expected and could have a significant impact on institutions' management of operational risk if implemented. The proposals appear to have diverged from the BCBS standards in contrast to the wording of the Level 1 text, and would lead to increased fragmentation and lack of comparability. Furthermore, this will be a burden for large banking groups operating internationally that will be required to maintain different taxonomies simultaneously (EU and international), making their management of operational risk more difficult and information complicated to compare.

Solution(s) – In addition to addressing the issues identified around these individual mandates, we would also encourage the EBA, European Commission and co-legislators to establish a mechanism and (quantitative) assessment enabling the continuous assessment of the cumulative impact of all RTS/ITS in the EBA's mandate to ensure there is no further Level 2-driven increase in capital requirements. This will be especially important considering the number of upcoming mandates that could have a capital impact on banks. It is also important to remember that the co-legislators have the power, under the scrutiny period of the draft technical standards, and the duty to ensure (e.g. by objecting to a draft ITS/RTS) that the technical standards respect the political baseline agreed upon by the Parliament and the Council during the negotiations of the Level 1 text.

---

[15] The EBA maintained its requirement to disclose RWEAs for the purpose of comparing the full standardised risk-weighted assets (S-TREA) against modelled RWEA, calculated in accordance with Article 92 (5) and (6), without applying the transitional provisions of Article 465. This requirement is supposed to be based on Article 438 (da). We would like to note that we disagree with this reading and would recommend reviewing the stance taken by the EBA with a view not to include any fully-loaded numbers

[16] https://www.eba.europa.eu/sites/default/files/2024-03/b01a1857-3b6b-46ff-b056-7c1800097880/Consultation%20paper%20on%20draft%20RTS%20CRR3%20CR-SA%20mandate%20on%20off-balance%20sheet%20items.pdf

[17] https://www.eba.europa.eu/publications-and-media/press-releases/eba-consults-new-framework-business-indicator-operational

[18] https://www.eba.europa.eu/publications-and-media/press-releases/eba-consults-new-framework-operational-risk-loss-part-implementation-eu-banking-package

In addition to the abovementioned examples of overly conservative level 2 mandates, we would like to flag instances, outside of the context of CRR3 mandates, where we have witnessed further conservatism on the part of the EBA; namely monitoring reports. Recently, the EBA published monitoring reports on NSFR in January[19], and on 'Additional Tier 1, Tier 2 and TLAC/MREL eligible liabilities instruments of European Union institutions' in June[20]. In both instances, AFME notes that policy recommendations are included in the monitoring reports (on the adjustment of RSF factors back to Basel levels in the NSFR report and on the need to switch to the carrying value as opposed to nominal value to calculate capital and TLAC/MREL in the AT1/Tier 2/MREL report), and these may have a material impact on banks' activities and their management of capital and liquidity ratios. While we acknowledge that the EBA has organised roundtables with the industry, recent experiences with the presentation of the reports on NSFR and 'AT1, Tier 2 and TLAC/MREL' leads us to consider some room for improvement exists. We believe that the EBA is and should be interested in receiving feedback from the industry on the possible policy suggestions the EBA may want to make. Should monitoring reports include recommendations (which in turn could become "soft law"), it would be helpful to define a framework for consultation on these, allowing for enough time to provide feedback, rather than simply presenting them to industry.

Finally, early discussion with the industry will need to take place with regards to Output Floor transitional arrangements such as on unrated corporates, Standardised Approach Counterparty Credit Risk (SA-CCR), risk weight treatment of short maturity Securities Financing Transactions (SFTs), as well as other transitional arrangements (e.g. UCCs) to ensure that there are no unintended cliff edge effects or international level playing field concerns arising from the expiry of these transitional arrangements.

Net Stable Funding Ratio treatment of reverse repos (CRR2)

Repo[21] markets play a key role in facilitating the flow of cash and securities around the financial system and in supporting liquidity. Banks act as intermediaries between those who want to invest their cash (e.g. a corporate, a money market fund or another bank) and those who want to provide collateral / security. This activity is referred to as 'matched book' repos (securities borrowed by the bank are matched by those lent). In addition to playing this intermediation function, banks are also users of repos in their own right: to fund their trading inventories, to invest cash or get short-term funding.

In the Net Stable Funding Ratio (NSFR), repo funding is not recognised as stable funding (i.e. when a bank get cash by selling their securities via a repo, this source of funding receives a 0% available stable funding factor (or ASF)), while lending to financial institutions in the form of reverse repos (i.e. a bank invests its cash and receives a security as collateral via a 'reverse' repo, from the bank's perspective), is subject to a required stable funding (RSF) (10 to 15% in the Basel standard). This

[19] https://www.eba.europa.eu/publications-and-media/press-releases/eba-publishes-analysis-specific-aspects-net-stable-funding

[20] https://www.eba.europa.eu/sites/default/files/2024-06/4c63729b-bb98-4edc-91ec-3001cd06050d/Report%20on%20monitoring%20AT1%20and%20MREL.pdf

[21] In a repo, one party sells an asset (usually fixed-income securities) to another party at a set price at the start of the transaction and commits to repurchase the fungible assets from the second party at a different price at a future date or (in the case of an open repo) on demand. The asset acts as collateral and mitigates the credit risk that the buyer has on the seller. A repo is like a collateralised loan or secured deposit (and the principal use of repo is in fact the borrowing and lending of cash). The difference between the price paid by the buyer at the start of a repo and the price he receives at the end is his return. In European repo markets, government bonds are the security sold as collateral in 80% of cases. Repos using collateral other than high-quality government bonds are often called credit repos, where the collateral is often corporate bonds.

asymmetry would have a strong negative impact on this high volume but low margin market; therefore several key jurisdictions around the world, including the EU in the CRR package, have decided to reduce or remove the asymmetry. However, unless an urgent amendment is made to CRR, the measure to address the asymmetric treatment in the EU will come into effect when it lapses in June 2025.

In a recent report on the specific aspects of the NSFR framework[22], the EBA recommends that RSF factors for reverse repos should revert to the BCBS (Basel Committee on Banking Supervision) levels of 10% and 15% for less than 6 month transactions secured by level 1 High Quality Liquid Assets (HQLA) and non-Level 1 HQLA, respectively. The current levels of respectively 0 and 5% will lapse by 28 June 2025 and default to the higher EBA recommended RSF factors, unless the EU agrees on an amendment to the legislation to remedy the issue in the level 1 text.

Concern(s) – The EBA's recommendation, if followed by the Commission, would not only have multiple unintended consequences for primary and secondary dealing in securities and increased cost for European governments wishing to finance their economic needs, it would also be inconsistent with the treatment applied in other major jurisdictions, including the US and UK, making the EU an outlier.

Reverse repos are an important and common instrument to fund bank's liquidity. In addition, the underlying securities are often government bonds, and the transactions signal price setting for government bonds which governments issue to finance their spending. Hence, governments rely on the liquidity of those markets for their own funding.

Our analysis of a sample of banks indicates that an increase in the RSF factor from 0% to 10% for reverse repos secured by Level 1 HQLA, would result in additional long term funding requirements for banks operating in the EU well in excess of €100 billion and that in some instances NSFR ratios could be reduced by over 10% for those institutions focused more specifically on market making, i.e. price setting, activities. The likely impacts on the banks most involved in reverse repo transactions to support market making and debt issuance would be significant. If the cumulative effects of NSFR and other requirements are not manageable, a bank will reduce its inventories, impairing market liquidity. Less liquid markets in turn will reduce issuers' access to investors through reduced participation, fewer efficiencies and increased costs. In addition to the increased costs for government debt issuance, this would clearly be detrimental to the development of capital markets in Europe.

Solution(s) - We would therefore urge the European Commission to take swift action by putting forward a fast-track legislative proposal as soon as possible for the EU Parliament and Council to agree on an amendment to CRR to ensure that RSF factors remain at the current levels of 0% and 5%, for less than 6-month transactions secured by level 1 HQLA and non-Level 1 HQLA respectively. We understand, and welcome, that the European Commission is in the process of proposing a CRR "quick fix" proposal later this year to address this important concern.

Improving the EU's securitisation framework (prudential and non-prudential)

As policy makers have come to acknowledge the valuable role that securitisation can play, there is increasing recognition that the combined effect of certain provisions within both the EU

[22] https://www.eba.europa.eu/publications-and-media/press-releases/eba-publishes-analysis-specific-aspects-net-stable-funding

Securitisation Regulation and the EU Bank and Insurance Prudential Capital Frameworks have disincentivised EU investors and limited the utility of the product as a funding tool by EU issuers. Momentum and consensus has increased in regard to the contribution securitisation can make to the financing of EU growth.

The below suggestions maintain the important existing safeguards embedded within the regulation that prevents the proliferation of overly complex, high leverage products under the banner of securitisation that originated in the US in the run up to the Global Financial Crisis.

Concern(s) – Reflecting on the evolution of the EU's Regulation and prudential frameworks over the last decade, it is clear that many of the foundation stones of the regulation safeguard the scope of its use to the financing of the real economy. However, certain areas of Level 1 framework legislation and Level 2 measures combined with the development of the relevant prudential frameworks have deviated, sometimes materially, from the apparent intent of global standards[23]. This generally resulted in the amplification or "gold plating" of the criteria set out in these standards. The combined effect of these regulatory and prudential reforms has had the effect of suffocating any revival of the EU securitisation market.

It is therefore important for the European Commission and co-legislators to adapt those areas of the regulation and prudential frameworks that lack risk sensitivity and proportionality and propose a package of reforms to boost the viability of a vibrant EU securitisation market, whilst maintaining the existing safeguards embedded within the regulation. A goal echoed by EU leaders at the April 2024 meeting of the European Council[24].

Below, we summarise the reforms required to achieve this outcome. We also intend to reflect (and expand if needed) the below proposals in our response to the recently published European Commission consultation on the EU securitisation framework[25].

Solution(s)

1. Increasing risk sensitivity within the bank prudential framework by introducing adjustments to the "p factors" and risk weight floors for all banks. This will require amending the Level 1 text (CRR3).
2. Reviving demand from the insurance sector by reviewing the prudential calibration of non-STS and of non-senior STS securitisation. This could be done via a review of the Solvency II Delegated Act (Level 2).
3. Adjusting the treatment of securitisation within the Liquidity Coverage Ratio (LCR) via an amendment to the CRR's LCR delegated act.
4. Introducing proportionality for investors conducting regulatory due diligence by issuing guidelines of proportionate due diligence requirements reflecting the level and types of risks taken. This would be feasible by amending Article 5 of the Securitisation Regulation.
5. Fine-tuning regulatory reporting requirements and simplifying STS criteria for both traditional and synthetic securitisations. This can be achieved through the simplification of the STS criteria and the introduction of a more proportionate transparency regime. Amendments to both Chapter 4 and Article 7 of the Securitisation Regulation will required to achieve this much needed change.

[23] AFME paper – "EU Securitisation back on track – AFME's 5 point plan" (June 2024)
[24] EUCO meeting conclusions (18 April 2024). See here.
[25] European Commission, Targeted consultation on the functioning of the EU securitisation framework (9 October 2024). See here.

6. Harmonise the requirements set by the supervisor to achieve a positive assessment of Significant Risk Transfer.

Prudential treatment of crypto-assets

We note that the interim prudential treatment of crypto-assets agreed by the co-legislators in the CRR3, departs materially from the final Basel standard in this area and includes some outstanding issues needing to be addressed. It is also important to note the EU is requiring financial institutions to apply a prudential treatment more penalising than the Basel standard 18 months in advance.

Concern(s) – The implication is that, where there is a greater level of conservatism than the Basel standard or uncertainty, projects are likely to be put on hold.

We are also concerned that the introduction of an interim solution reduces the urgency for a full implementation of the final Basel standard. Whilst a final standard should not be rushed, and should take account of the work recently completed by the Basel Committee[26], the Commission should not delay in putting forward a legislative proposal once these reviews have been concluded i.e. by 30 June 2025.

The current interim approach, which we believe introduces unnecessary elements, will need to be rescoped and calibrated to reduce the mismatch versus Basel and to remove any uncertainties. AFME supports policymakers' objective of putting in place a regulatory framework that encourages responsible innovation by regulated financial institutions. We also supports the design of a permanent crypto-asset exposure framework in the EU that facilitates bringing these financial activities within the prudential framework where associated risks will be subject to robust capital and liquidity regulation, sound risk management and ongoing supervisory oversight. We believe this goal is closely aligned with the objectives of the Basel Committee and EU policy makers.

Solution - Unfortunately, the currently applicable interim treatment in the EU as prescribed in Art. 501d(2) CRR3 falls short of the aforementioned requirements and as it stands does not provide a workable approach. It is onerous and makes it difficult for banks to provide any meaningful crypto-asset related services for end users. The main reason for this is insufficient clarity with regards to the application of the interim framework and missing reference to the Basel standard that provides the relevant detail. Not only does this lead to uncertainty in business and capital planning, but banks also incur sunk costs with the development of interim solutions assuming that the final regulation introduces different, and/or more detailed, exposure identification and risk management requirements.

Given the fundamental flaws and shortcomings of the interim treatment, we would urge policy makers to adhere to the set deadline to provide a legislative proposal for a well-thought through permanent treatment by end-June 2025.

While understanding that being faithful to this deadline might be challenging, we would also encourage policy makers (i.e. the EBA) to swiftly provide, regulatory standards that address the main shortcomings in the interim treatment and which are aligned with the internationally agreed standards developed by the BCBS without introducing additional conservativeness. Those

[26] https://www.bis.org/bcbs/publ/d579.pdf

technical standards should serve as the basis for the permanent treatment in order to avoid more regulatory uncertainty and implementation costs for both the Industry and supervisors alike.

Further work needed at Basel level – In addition to addressing the areas where the EU framework is more punitive than the Basel standards, EU authorities should also promote a global framework which is technology neutral. A lack of technology neutrality in capital and liquidity regulation can prove a significant obstacle to DLT-based market development. In particular, divergent prudential treatment can create obstacles for banks to act as underwriters and intermediaries (including as market makers) for DLT-based securities, as this would unduly penalise their balance sheets.

In particular:

- The implementation of BCBS standards on crypto assets should not penalise transactions solely on the basis of the use of public, permissionless blockchains.
- Existing liquidity regulation should not preclude DLT-based securities from receiving the same treatment as traditional securities, including possible treatment as Level 1 High Quality Liquid Assets (subject to meeting the existing criteria).

Crisis management and deposit insurance framework (CMDI)

It is important to contextualise the current negotiations in this area by acknowledging that very extensive progress has been made in enhancing resolvability, particularly with respect to GSIBs and other large systemic banks. Banks in the EU have made very significant progress in recovery and resolution planning, raising MREL [27] (acknowledged by both the EBA and SRB) and enhancing resolvability. It is essential that any reforms to the resolution framework do not prejudice the progress already achieved.

More generally, we believe that the following key principles should continue to underpin the remainder of the negotiations of the CMDI framework. In our view the CMDI review should result in:

1. No increased contributions to mutualised funds.
2. Enhance the credibility, predictability and consistency of the CMDI framework, further enhancing financial stability, without adversely impacting the progress made to date on resolution.
3. Minimise risk to taxpayers and moral hazard by ensuring a consistent, harmonised and careful approach across EU member states to the use of common or mutualised funds to absorb losses, subject to the Least Cost Test, supporting market discipline and avoiding competitive distortions.
4. Maintain consistency in the tools and application of the framework at EU level in order to ensure that all banks regardless of their size or country of origin can fail in an orderly manner, have a plan in place to provide for this and have the resources to support it (i.e., a level of MREL sufficient to fund their own resolution if earmarked for resolution).

[27] https://www.eba.europa.eu/publications-and-media/press-releases/most-eu-resolution-banks-comply-requirement-aimed-supporting-orderly-resolution-case-failure-eba

5. Support strong cross-border cooperation and minimize fragmentation both within the EU and with third countries.

As the co-legislators aim to enter trilogue negotiations we stress below a few critical points that have garnered attention in recent months as the Council finalized its general approach.

The use of DGS funds to bridge the gap (BtG).

As a starting point, AFME opposes the idea that DGSs' funds could be used to reach the threshold of 8% of bail-in/burden-sharing and open access to the SRF (known as "bridge the gap"). In our view, that would distort competition, generate moral hazard and come down to a double bail-out by other institutions, first at national and then at Banking Union level.

Solution - While not in line with our position above, we understand that there is appetite from both co-legislators to facilitate the use of DGS funds to bridge the gap. We would on balance however be more supportive of the Council's approach on this issue as it provides greater safeguards for the activation of the bridge the gap mechanism, ensuring in the process that the risk of moral hazard is at least partially mitigated. In addition, we would recommend prohibiting late changes from negative to positive PIA for banks initially earmarked for liquidation.

MREL calibration

Furthermore, with regards to MREL calibration for transfer strategies, we believe the extension of the resolution tool to medium or small banks must be accompanied with a clear calibration of the MREL requirement for small and medium sized banks to improve their solidity profile. This would counter-balance the additional contributions burden that larger banks may have to face towards DGSs due to their more frequent use, due to the extension of the resolution also to smaller players as well as the expansion of the types of protected deposits and the elimination of the super-preference regime of the DGS. Consequently, we would endorse the Commission proposal to set new rules in the BRRD (article 45ca) on the calibration of the MREL for banks whose resolution strategy entails the application of the transfer tools. This approach would reduce legal uncertainty, and divergent methodologies applied by resolution authorities. We also support the amendment proposed by the Parliament as it ensures that the Recapitalisation Amount for credit institutions having the transfer tool also in combination with other resolution tools (bail-in) as resolution strategy, should be proportionately adjusted in consideration of the reduced dimension of the entity post-resolution. This reinforces the principle that the level of the MREL requirement should reflect the most likely resolution strategy. Such an amendment reflects also the analysis that the SRB requires larger banks to perform on the separability of their assets.

Transferability of DGSs contributions

It should be possible for banks to transfer their contributions into EU DGSs to other EU DGSs when a bank changes its affiliation due to M&A or changing corporate structure, commensurate with the risk transferred. Such a change would remove a significant impediment to cross-border banking consolidation in the EU. Such an approach has also been recommended in the ECB's June 2024 Financial Integration Report[28].

Solution – We generally support the European Parliament's position on this issue. We would however propose that the mandate for the EBA to develop a methodology for risk-based transfers

[28] https://www.ecb.europa.eu/press/fie/html/ecb.fie202406~c4ca413e65.en.html

to be framed more clearly and allow for actual transfers commensurate with the risk being transferred.

Accounting treatment of Irrevocable Payments Commitments (IPCs)

AFME believes that provisions that require a call of IPCs on return of a banking licence should be avoided.

Both the European Commission proposal and the European Parliament amendments to the CMDI framework could have unintended consequences for the accounting treatment of IPCs. In particular, they could be detrimental to the current accounting treatment with the risk of leading - in some cases - to expensing the IPC with a P&L impact, rendering IPCs no longer viable going forward. This would be inconsistent with the original legislative purpose.

Solution - Therefore, we would recommend further amending Article 103 BRRD and Article 70 SRMR to clarify that Resolution Authorities shall cancel IPCs and return the related collateral after the relevant entity has exited the scope of BRRD/SRMR (i.e. returned its banking license). The Council position restores the status quo on the accounting treatment of IPCs and we would therefore be supportive of their proposal.

Amendments to SRB governance framework

We oppose changes proposed by certain members states to the competence and powers of the SRB "Executive session" in order to give more powers to the "plenary session". We believe such changes would introduce an unhealthy level of national sensitivities into the SRB's work and could eventually lead to more conservatism and fragmentation being reflected in guidelines, policies, etc.

Solution - The compromise found by the BE PCY (see Article 50 SRMR), which consists of giving more consultative powers (as opposed to actual blocking powers as in previous compromise proposal) to the "plenary session" is a welcome development compared to previous drafts. We would, however, be supportive of the Commission proposal on this point, which did not foresee any change to the current SRB governance framework.

Other

Finally, we also want to flag three additional issues in relation to amendments related to combined strategies (Art.45ca BRRD/Art. 12da SRMR), reporting (Article 55.2.a BRRD) and e-money deposits (Article 8b DGSD):

- **Art.45ca BRRD/art. 12da SRMR (resolution combined strategies):** We believe combined strategies should be recognized for both Single Point Entry (SPE) and Multiple Point Entry (MPE) banks. Combined resolution tools should be reflected in a lower recapitalization amount as part of the MREL target calibration (e.g. large banks with bail-in tool combined with transfer tool). The business model of the post-resolution group should necessarily change compared to the pre-resolution one. In addition, the Market Confidence Charge (MCC) increasing the RCA should be adjustable as under the sale of business tool in a market exit, the liquidity and funding provision will be assumed by the purchaser and the MCC might therefore not be needed to this extent.

- **Art. 55.2.a BRRD (reporting)**: Present in the Parliament text only. This amendment, implies extending the reporting of clauses to all entities within the resolution group. Banks already do it for the purpose of POE and the relevant legal entities (within the LDR report). The proposal would greatly extend this to all entities within the resolution group, even if they are not deemed as relevant. AFME would strongly caution against this. Since

2016, banks have been working on the LDR with investments on tech developments and resources, with costs that will keep growing. Ideally, this should not be included in the final text and we would hope it does not become a bargaining chip during trilogues.

- **Art. 8b DGSD (e-moneys):** Present in both the European Parliament and Council texts. The article suggests e-money deposits from external e-moneys (not e-money from the bank itself) will be covered deposits (which is satisfactory to AFME). However, due to the current wording of the article and the definition of e-money, when read in conjunction with recital 29 of the DGSD it creates an asymmetry. The asymmetry being that banks e-money would not be covered, even if banks actually cover said e-moneys. We therefore fear this won't be recognized. Consequently, we would suggest the deletion of recital 29 of the DGSD.

Liquidity funding in resolution

It is important that the recovery and resolution framework imposes market discipline and sends the clear message that it is the primary responsibility of each bank to ensure that it has the loss-absorbing resources available to manage its own failure in an orderly manner. However, it is equally important to separately consider the availability of liquidity in resolution and the external sources that will in most scenarios need to be obtained for this purpose. Provision of liquidity via a public backstop, on appropriate terms, does not per se foster moral hazard or distort competition in the same manner as mutualising losses or placing that burden onto the industry or taxpayers.

Solution - Therefore, as part of, or alongside, the review of the CMDI framework, work should continue with the objective of clarifying access to the public sector backstop for temporary liquidity in resolution. It is important to ensure that a consistent approach is applied to all banks, regardless of size. Solvency support should be considered separately from liquidity provision in cases where a timely repayment of such liquidity can be expected for banks that are being credibly resolved and losses have been born by shareholders and creditors.

Macroprudential framework for banks

Concern(s) – In addition to the minimum requirements of the prudential framework (i.e. Pillar 1), banks operating across the EU/EEA are subject to a complex set of additional micro and macroprudential requirements originating from different sources and which partially target the same types of risk. These include a Pillar 2 requirement and guidance, set by micro prudential authorities (for large Eurozone banks, the ECB's SSM) but which in practice are also used in part to address macroprudential or sector-wide risks. Alongside this, national macro-prudential authorities apply a combination of other buffers including a fixed capital conservation buffer (CCoB), a countercyclical buffer (CCyB) and various structural buffers (including the systemic risk buffer (SyRB), G-SII and O-SII buffers).

The opaque and complex design, contributes to overlapping requirements and capital accumulation within EU banks. In turn this weighs on their ability to generate revenue. This has, in general, led to a proliferation in additional capital requirements. Although there is no consensus on what is the 'optimal level' of capital for financial institutions, it should be recognised that capital accumulation beyond a certain level stifles investment and leads to a deterioration in institutions' revenue generation capacity. In practice, large cross-border banks tend to face high overall buffer requirements that do not correspond to their risk profile, further detaching capital requirements from risks. This disincentivises cross-border business models and consolidation, leading to less competitiveness and inefficiency.

While we agree that buffers may need to be more releasable, this should not lead to creating more buffers on top of existing ones, nor to increasing the overall size of the buffers (e.g. the use of the positive neutral CCyB reduces banks room for manoeuvre at a time when the EU economic growth is in need of a boost and financing needs are significant).Rather we support rebalancing the existing micro and macro buffers that are already in place and ensuring a more consistent use of buffers across the EU/EEA.

Solution(s) - We would welcome therefore a holistic review of the macroprudential framework with a view to the implementation of a coherent and transparent regime that works consistently across the EU. In terms of the overarching macroprudential capital buffers, we are of the view that there is the potential for a rebalancing of the CCoB and CCyB without increasing overall capital requirements to allow great and more timely responsiveness through the cycle.

Targeted changes to clarify the conditions for the use of different macroprudential instruments (both buffers and RWA add-ons) would be welcome and could facilitate preparations for a more thorough review as well as to mitigate clear overlaps. This would be likely to include, for example, further work around a framework of economic criteria for the application of CCyBs together with clarification around the criteria for their release.

Furthermore, the ECB's report to the European Commission recommends assessing whether 'multiple use of capital' across the parallel stacks (risk-based, leverage, MREL) represents an obstacle to buffer useability[29]. We would argue for equivalent relief to be provided across the three parallel stacks and would caution against any approach to restrict the use of capital for different requirements. It is important that there is a coherent and transparent regime that works uniformly across the EU. The interactions between CET1, AT1, T2 and the restrictions that can be triggered are highly complex.

Finally, we would like to stress that not all systemic risks need a macroprudential solution and that when considering the use of a macroprudential tool for targeting a systemic risk, there would need to be sufficient clarity from regulators that this is indeed the most effective approach, after having assessed all possible alternatives. It is important that regulators consider other measures to address systemic risks. Macroprudential tools should only be considered where micro prudential measures, including effective supervision, is not sufficient or appropriate to address the risk. Raising banks' capital requirements should not be viewed as the solution of all problems. Given the risks of spillover and the potential for regulatory arbitrage it is important that there is sufficient and effective international coordination in the development of any macroprudential approaches to climate risk. In practice, there are many measures in place across banks in relation to the management of climate risk which are embedded in risk management and stress testing frameworks. We would observe that short to medium-term climate risks are dealt with by micro prudential supervisors, with the regulatory framework currently under review. Given the evolutionary phase of the Pillar 1 and 2 frameworks, a potential macroprudential treatment of the related risks should wait until the review of the micro prudential framework has been finalised.

SRF target level and contributions

Concern(s) – The Single Resolution Fund (SRF) is an emergency fund that can be called upon in times of crisis. It can be used to ensure the efficient application of resolution tools for resolving failing banks, after other options, such as the bail-in tool, have been exhausted. The SRF has been

[29] https://www.ecb.europa.eu/pub/pdf/other/ecb.responsetothecallforadvice~547f97d27c.en.pdf

built up over a number of years from the contributions of the banking sector and has now reached €78bn, allowing the SRB to pause contributions (for 2024). This is a considerable buffer for the failure of banks. This is on top of very high levels of MREL accumulated by EU banks on average (> 34% of TREA according to the EBA MREL dashboard Q4 2023). A lot has changed since the SRF was first agreed, which could mean that the SRF as it is currently structured is not maximising value for the EU economy. While our key priority is to reconsider further increases beyond the current level, we note that the €78bn already represents financial resources that could otherwise be used productively to support the EU economy and contribute to European competitiveness[30].

We believe this creates the right momentum to reconsider and reflect on the future of the SRF and understand afresh its purpose, utility, and structure, especially in view of other resolution safeguards put in place in the past few years (e.g. firms' levels of MREL/TLAC, extensive recovery plans being in place and available tool box of resolution strategies).

We would also strongly advocate for a fundamental review of art. 104 (2) SRMR that allows for ex-post contribution to reach 37.5% of the SRF target level per year, which could be extremely procyclical and put banks at risk at times when many would probably already be under stress and/or in recovery.

Solution(s) - The existing SRF contributions create a significant cost for banks and options should be explored to reduce this for example by:

1. Pausing ex-ante contributions beyond 2024 while EU policymakers carry out a comprehensive assessment of the SRF (target level and contributions calculation methodology). A consideration should also be given to moving to an ex-post contributions model now that the build-up phase has been reached.
2. Capping the ex-ante funding target level of the SRF at the end of the build-up phase, changing the metric for the target level, and/or increase the availability to use irrevocable payment commitments. Similar to the case of DGS contributions, the MREL stock of each bank needs be taken into account when determining its SRF contributions, since MREL will be consumed first before any call to SRF will be effectuated. The greater the MREL stock therefore, the lower the likelihood that SRF funds will be required. This will help preserve the 'polluter pays' principle and ensure that contribution are aligned with the risk that a banks poses to using the fund.
3. Limiting ex-post contribution to 12.5% of the SRF target level per year and adding safeguards to avoid pro-cyclical impacts.

Capital and liquidity waivers

Concern(s) – Capital and liquidity continue to be trapped along national lines within the EU banking market. The banking industry remains confronted with an absence of meaningful cross-border waivers, including in the Eurozone. The ECB's ability to grant limited cross-border waivers from the LCR remains, to the best of our knowledge, unused some 7 years after the formulation of its policy in this area, with a similar situation prevailing with respect to the NSFR. The issue is exacerbated by the persisting complex approach to large exposure exemptions, creating an unlevel playing field and, in some cases where such limits are applied via national law, acting as a direct legal impediment to the cross-border flow of funds. Internal MREL requirements also apply at the level of all subsidiaries and cannot be waived across Member States, even if these entities are not material subgroups and are all within the scope of a single resolution authority,

[30] Comparative analysis across key jurisdictions shows that the safeguards in place in Europe to cover the cost of resolving banks exceed those in other jurisdictions.

i.e. the SRB in the case of the Banking Union. This EU application goes beyond the internationally agreed TLAC standard. Finally, cross-border waivers for capital (whether risk-based or under the leverage ratio) are not available and the recent agreement on the implementation of the final Basel 3 standard in the EU has compounded the situation by requiring the application of one of its key features, the so-called output floor, at legal entity level.

Solution(s) – Adress the persistent obstacles to the free flow of capital and liquidity so that internal capital allocation within banks operating across the EU can function more efficiently, thus allowing resources to flow to where they are most in demand in the economy.

Abbreviations

AFME	Association of Financial Markets in Europe
ASF	Available stable funding factor
AT1	Additional Tier 1
AVA	Additional Valuation Adjustments
BCBS	Basel Committee for Banking Supervision
BE	Belgium
BRRD	Bank Recovery and Resolution Directive
BtG	Bridge the Gap
CCF	Credit Conversion Factors
CCoB	Capital Conservation Buffer
CCyB	Countercyclical Buffer
CET 1	Core Equity Tier 1
CMDI	Crisis Management and deposit insurance
CRR	Capital Requirement Regulation
CVA	Credit Valuations Adjustment
DA	Delegated Act
DGS	Deposit Guarantee Scheme
EBA	European Banking Authority
ECB	European Central Bank
EU	European Union
FRTB	Fundamental Review of the Trading Book
GSIBs	Globally Systemic Institutions
G-SII	Global Systemically Important Institutions
HQLA	High Quality Liquid Assets
IPCs	Irrevocable Payments Commitment
ITS	Implementing Technical Standard
LCR	Liquidity Coverage Ratio
LDR	Liability Data Reporting
M&A	Mergers & Acquisition
MREL	Minimum Requirement for own-funds and Eligible Liabilities
NSFR	Net Stable Funding Ratio
O-SII	Other Systemically Important Institutions
P&L	Profit and Loss
PCY	Presidency (EU)
PIA	Public Interest Assessment
PLAT	Profit and Loss Attribution Test
POE	Point of Entry
Q&A	Questions & Answers
Repo	Repurchase agreement
RTS	Regulatory Technical Standard
RWA	Risk Weighted Assets
RWEA	Risk Weighted Exposure Amount
SA-CCR	Standardised Approach Counterparty Credit Risk
SRB	Single Resolution Board
SRF	Single Resolution Fund

SRMR	Single Resolution Mechanism Regulation
SSM	Single Supervisory Mechanism
S-TREA	Standardised Risk-Weighted Assets
STS	Simple, Transparent and Standardised
SyRB	Systemic Risk Buffer
T2	Tier 2
TLAC	Total Loss-Absorbing Capacity
UCC	Unconditionally Cancellable Commitment
UK	United Kingdom
US	United States of America

Contacts

Jim Rusagara
Manager, Advocacy
Jim.rusagara@afme.eu
+32 47902 9700

Caroline Liesegang
Head of Prudential Regulation, Sustainable Finance, and Research
Caroline.Liesegang@afme.eu
+44 (0)20 3828 2676

Jacqueline Mills
Managing Director, Head of Advocacy
jacqueline.mills@afme.eu
+32 2 883 55 47

/ About AFME

The Association for Financial Markets in Europe (AFME) is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues.

We represent the leading global and European banks and other significant capital market players.

We advocate for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society.

We aim to act as a bridge between market participants and policy makers across Europe, drawing on our strong and long-standing relationships, our technical knowledge and fact-based work.

Focus
on a wide range of market, business and prudential issues

Expertise
deep policy and technical skills

Strong relationships
with European and global policymakers

Breadth
broad global and European membership

Pan-European
organisation and perspective

Global reach
via the Global Financial Markets Association (GFMA)

London Office
Level 10
20 Churchill Place
London E14 5HJ
United Kingdom
+44 (0)20 3828 2700

Brussels Office
Rue de la Loi, 82
1040 Brussels
Belgium
+32 (0)2 883 5540

Frankfurt Office
Große Gallusstraße 16-18
60312 Frankfurt am Main
Germany
+49 (0)69 710 456 660

Press enquiries
Rebecca O'Neill
rebecca.oneill@afme.eu
+44 (0)20 3828 2753

Membership
Elena Travaglini
Head of Membership
elena.travaglini@afme.eu
+44 (0)20 3828 2733

AFME is registered on the EU Transparency Register, registration number 65110063986-76