



Review of the EU Macro-prudential Policy Framework

Fields marked with * are mandatory.

Introduction

The European Commission is launching a public consultation to gather feedback and evidence on whether the existing EU macro-prudential framework is functioning optimally.

The goal of macro-prudential policy is to ensure the stability of the financial system as a whole, which is distinct from the safety and soundness of individual institutions. To this end, whilst the prudential requirements of credit institutions are set at the EU level, a macro-prudential framework is necessary to allow additional flexibility in the setting of these prudential requirements in each Member State. This allows national authorities to address the specific financial stability risks they face, which can be caused by various factors including local imbalances, national laws, and divergent economic cycles.

The EU macro-prudential framework has been developed incrementally over recent years. From establishing the European Systemic Risk Board "ESRB", to designing a toolset of instruments (capital buffers, which are enshrined in CRDIV/CRR), and agreeing a system for coordinated action. This framework has been established by different regulations and directives over time. As such, it lacks the coherence that we would expect, were it established by a single legislative text. Increasingly, a number of issues can be raised in the way the various components of this framework interact. These include, among others:

- The way the different macro-prudential tools overlap (it is not always clear which risks are being addressed when a macro-prudential buffer is used).
- The activation mechanisms required to use these tools (Member States tend to use the tool that requires the least amount of coordination with other Member States).
- The complex co-ordination needed to manage the cross border impacts of some of these measures (a largely voluntary framework, agreed within the ESRB framework).
- The role of the ESRB in the framework (it is perceived by some to be too close to the ECB, and too reliant on its resources to provide fully independent analysis).
- The role of the SSM in using the macro-prudential buffers on the banks under its supervision.

Based on our shared experiences of the application of macro-prudential policy, and in line with the relevant review obligations provided in CRD IV/CRR, the ESRB Regulation, and the Single Supervisory Mechanism Regulation (SSMR), we now have the opportunity for a comprehensive review of the component parts of this framework. This review will deliver a more effective, efficient and flexible framework for the EU.

The ECB has recently (under the SSM) acquired macro-prudential responsibilities, in the form of powers to 'top up' the capital buffers that national authorities impose on their banks, if the ECB sees additional risks. These powers have not yet been tested, but their review would most logically be dealt with alongside all the other macro-prudential elements of the EU framework.

Because the component parts of this framework are so closely interlinked (the bodies providing oversight, the instruments used, and the rules governing their activation/co-ordination), it makes most sense to address all of these elements in one comprehensive review, since amending one element has knock on effects on the others.

Through this consultation, Commission services are actively seeking the opinions of interested and affected groups on the functioning of the macro-prudential framework. This consultation will be of most relevance to public authorities who use these policies (finance ministries, central banks, regulatory authorities, ECB, the EBA, etc). However we also expect significant interest from industry, banks, trade bodies, interested academics, as well as consumer organisations.

The consultation asks a broad range of question, to assess views on the different options available for reforming the existing framework. These include questions on narrowing the scope of macro-prudential instruments (reducing the number of different buffers available under EU legislation), refining the scope of existing instruments (clearer definition of the intended use of each buffer), amending the rules for activating certain instruments (to make these more consistent with one another), as well as the role and organisational structure of the ESRB and its relationship with the ECB.

Once received, these responses will be used to assess the depth of feeling towards different options for reform, consider any challenges the proposals might raise, and to consider alternative options for reform, where relevant.

The public consultation runs **from 01 August 2016 until 24 October 2016**.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-macroprudential-framework@ec.europa.eu.

More information:

- [on this consultation](#)
- [consultation document](#)
- [on the protection of personal data regime for this consultation](#) 

1. Information about you

*Are you replying as:

- a private individual
- an organisation or a company
- a public authority or an international organisation

*First name and last name:

*Name of your organisation:

*Name of the public authority:

Contact email address:

The information you provide here is for administrative purposes only and will not be published

*Is your organisation included in the Transparency Register?

(If your organisation is not registered, [we invite you to register here](#), although it is not compulsory to be registered to reply to this consultation. [Why a transparency register?](#))

- Yes
- No

*If so, please indicate your Register ID number:

*Type of organisation:

- Academic institution
- Consultancy, law firm
- Industry association
- Non-governmental organisation
- Trade union
- Company, SME, micro-enterprise, sole trader
- Consumer organisation
- Media
- Think tank
- Other

*Please specify the type of organisation:

*Type of public authority

- International or European organisation
- Regional or local authority
- Government or Ministry
- Regulatory authority, Supervisory authority or Central bank
- Other public authority

*Please specify the type of public authority:

*Where are you based and/or where do you carry out your activity?

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Italy
- Latvia
- Liechtenstein
- Lithuania
- Luxembourg
- Malta
- Norway
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- The Netherlands
- United Kingdom
- Other country

*Please specify your country:

*Field of activity or sector (*if applicable*):

at least 1 choice(s)

- Accounting
- Auditing
- Banking
- Insurance
- Pension provision
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- National administration
- Supervisory authority
- Other
- Not applicable

*Please specify your activity field(s) or sector(s):



Important notice on the publication of responses

*Contributions received are intended for publication on the Commission's website. Do you agree to your contribution being published?

([see specific privacy statement](#) )

- Yes, I agree to my response being published under the name I indicate (*name of your organisation/company/public authority or your name if your reply as an individual*)
- No, I do not want my response to be published

2. Your opinion

II.1 General approach and scope of the review

Please [refer to section II.1 of the Consultation document](#)  to read context information before answering the questions.

***Question 1:**

Do you consider the degree of coordination between the different authorities in the current framework (i.e. ESRB, national macro-prudential authorities, Commission, Council, etc.) appropriate?

Please rank your answer from 1 (fully appropriate) to 5 (not appropriate at all).

- 1 (fully appropriate)
- 2
- 3
- 4
- 5 (not appropriate at all)
- Don't know / no opinion / not relevant

Please explain your scoring:

***Question 2:**

(a) Would you consider appropriate to expand the macro-prudential framework beyond banking?

Please rank your answer from 1 (fully appropriate) to 5 (not appropriate at all).

- 1 (fully appropriate)
- 2
- 3
- 4
- 5 (not appropriate at all)
- Don't know / no opinion / not relevant

Please explain your scoring:

(b) If deemed appropriate, what kind of systemic risks should be targeted and how?

***Question 3:**

Do you see a need to strengthen the coordination between designated and competent authorities when using stricter Pillar 1 measures for real estate exposures to address systemic risks?

Please rank your answer from 1 (strong need) to 5 (no need).

- 1 (strong need)
- 2
- 3
- 4
- 5 (no need)
- Don't know / no opinion / not relevant

Please explain your scoring:

If you see a need, how should their coordination be strengthened?

***Question 4:**

Do activity-based instruments in the current framework allow to effectively tackle risks stemming from specific risk exposures?

Please rank your answer from 1 (fully agree) to 5 (fully disagree).

- 1 (fully agree)
- 2
- 3
- 4
- 5 (fully disagree)
- Don't know / no opinion / not relevant

Please explain your scoring:

***Question 5:**

Do you consider a CCB for sectoral imbalances (e.g. in the real estate sector) a useful complementary instrument?

Please rank your answer from 1 (necessary complement) to 5 (useless complement).

- 1 (necessary complement)
- 2
- 3
- 4
- 5 (useless complement)
- Don't know / no opinion / not relevant

Please explain your scoring:

If yes, how would you see the interaction of this sectoral CCB with the CCB already in place?

***Question 6:**

Do you see a need for adjusting measures targeting risks associated with banks' real estate exposures?

- Yes
- No

***If so, please explain your answer:**

***Question 7:**

Do you see a need for disentangling different responsibilities between competent and designated authorities?

- Yes
- No

*If so, please explain your answer:

***Question 8:**

Do you see merit in better distinguishing the activity-based from the institution-based instruments under Article 458 CRR, also in view of applicable activation procedure(s)?

Please rank your answer from 1 (a better distinction is necessary) to 5 (a better distinction is not necessary).

- 1 (a better distinction is necessary)
- 2
- 3
- 4
- 5 (a better distinction is not necessary)
- Don't know / no opinion / not relevant

***Question 9:**

Do you see the need to better frame either the focus (targeted risks) or the scope of the SRB (i.e. applicability to the entire stock only or also to subsets of exposures)?

- Yes
- No

*If so, please explain your answer:

***Question 10:**

Should the SRB be explicitly defined as either an activity based or an institution specific tool?

- Yes
- No

Please explain your answer:

Question 11:

How do you assess the interactions of institution-specific instruments in the current framework?

Question 12:

How do you assess the main weaknesses of institution-specific instruments in the current framework?

***Question 13:**

Do you consider that the capital buffers for systemically important institutions are appropriately calibrated in the current framework?

Please rank your answer from 1 (fully agree) to 5 (fully disagree).

- 1 (fully agree)
- 2
- 3
- 4
- 5 (fully disagree)
- Don't know / no opinion / not relevant

Please, explain your scoring:

***Question 14:**

Do you assess the caps of the G-SII and the O-SII buffers as appropriate?

Please rank your answer from 1 (fully appropriate) to 5 (not appropriate at all).

- 1 (fully appropriate)
- 2
- 3
- 4
- 5 (not appropriate at all)
- Don't know / no opinion / not relevant

Please, explain your scoring:

***Question 15:**

Do you think that the 2 percent cap for the O-SII buffer should be revised?

- Yes
- No

***If so, please explain your answer:**

***Question 16:**

Do you consider that the current cumulation rules applicable to institution-specific buffers need to be revised?

- Yes
- No

***If yes, what revisions would you consider necessary?**

***Question 17:**

Do you see a need for developing additional harmonized macro-prudential instruments?

- Yes
- No

***If yes, what type of new instrument would you deem necessary and why?**

Question 18:

How do you assess the possibility for the ESRB to develop technical guidance on the use of non-harmonised instruments, for example via issuing recommendations? Would you see a specific type of instrument for which such an approach could be warranted and suitable?

***Question 19:**

Do you consider the current hierarchy of instruments ('pecking order') as appropriate?

Please rank your answer from 1 (fully appropriate) to 5 (not appropriate at all).

- 1 (fully appropriate)
- 2
- 3
- 4
- 5 (not appropriate at all)
- Don't know / no opinion / not relevant

Please, explain your scoring:

***Question 20:**

Can overlaps in the tools' scope facilitate the circumvention of control elements embedded in the activation mechanism?

- Yes
- No

***If you answer yes, please explain how:**

Question 21:

What adjustments, if any, would you suggest for the notification and activation requirements for the SRB?

Question 22:

What adjustments, if any, would you suggest for the notification and activation requirements for the measures under Article 458 CRR?

Question 23:

What adjustments, if any, would you suggest for the notification and activation requirements for the CCB?

***Question 24:**

Do you see the risk that especially the O-SII buffer and the SRB could be used for ring-fencing purposes?

- Yes
- No

***If yes, what do you suggest to address this risk?**

***Question 25:**

How do you assess the shared responsibilities of the ECB/SSM and national authorities for macro-prudential policy within the Banking Union? In particular, do you think that the current asymmetry of powers conferred upon the ECB/SSM is appropriate?

Please rank your answer from 1 (fully appropriate) to 5 (not appropriate at all).

- 1 (fully appropriate)
- 2
- 3
- 4
- 5 (not appropriate at all)
- Don't know / no opinion / not relevant

Please, explain your scoring:

***Question 26:**

How do you assess the coordination need between the different authorities involved?

Please rank your answer from 1 (strong need for more coordination) to 5 (no need for further coordination).

- 1 (strong need for more coordination)
- 2
- 3
- 4
- 5 (no need for further coordination)
- Don't know / no opinion / not relevant

Please, explain your scoring:

Do you see areas in which this coordination could be improved?

***Question 27:**

Do you see need for amending the time periods of the notification process between national authorities and the ECB/SSM?

Please rank your answer from 1 (strong need for amending) to 5 (no need for amending).

- 1 (strong need for amending)
- 2
- 3
- 4
- 5 (no need for amending)
- Don't know / no opinion / not relevant

What time limitations would you suggest?

***Question 28:**

Do you see need to broaden the scope for mandatory reciprocity in the CRR/CRDIV?

- Yes
- No

*If yes, for which instrument(s) do you see such a need?

II.3 Institutional setting

Please [refer to section II.3. of the Consultation document](#)  to read context information before answering the questions.

***Question 29:**

Do you think that the ESRB's mandate and tasks are appropriately formulated to ensure efficient coordination of macro-prudential policies in the EU?

Please rank your answer from 1 (fully appropriate) to 5 (not appropriate at all).

- 1 (fully appropriate)
- 2
- 3
- 4
- 5 (not appropriate at all)
- Don't know / no opinion / not relevant

If not deemed fully appropriate, what changes would you suggest to ensure such efficient coordination?

***Question 30:**

How do you assess the current capacities of the ESRB to deliver on its mandate for conducting system-wide risk analysis, including its access to relevant data?

Please rank your answer from 1 (fully adequate) to 5 (not adequate).

- 1 (fully adequate)
- 2
- 3
- 4
- 5 (not adequate)
- Don't know / no opinion / not relevant

Please, explain your scoring:

***Question 31:**

In particular, do you consider that the resources of the ESRB Secretariat are adequate in this context?

Please rank your answer from 1 (fully adequate) to 5 (not adequate).

- 1 (fully adequate)
- 2
- 3
- 4
- 5 (not adequate)
- Don't know / no opinion / not relevant

Please, explain your scoring:

Question 32:

What do you consider to be the best ways to ensure that the macro-prudential perspective is sufficiently reflected in EU policy making where systemic risk considerations are involved?

Question 33:

How do you assess the instruments and powers of the ESRB? In particular, do you see the need for the ESRB's powers to explicitly include 'soft power' tools with a view to fulfil its mandate?

***Question 34:**

Do you consider the transparency related to the act or explain mechanism (e.g. in following up recommendations, etc.) as satisfactory?

Please rank your answer from 1 (fully adequate) to 5 (not adequate).

- 1 (fully adequate)
- 2
- 3
- 4
- 5 (not adequate)
- Don't know / no opinion / not relevant

If not deemed fully satisfactory, what improvement would be necessary?

***Question 35:**

Would you consider the two-tier managerial structure along the lines proposed above an appropriate way to improve the governance structure of the ESRB?

Please rank your answer from 1 (fully agree) to 5 (fully disagree).

- 1 (fully agree)
- 2
- 3
- 4
- 5 (fully disagree)
- Don't know / no opinion / not relevant

Please, explain your scoring:

***Question 36:**

How does the current size of the General Board affect the exchange of confidential and sensitive information and smooth decision making? Do you see merit in reducing its size and/or shifting some of its tasks to the Steering Committee?

Please rank your answer from 1 (fully agree) to 5 (fully disagree).

- 1 (fully agree)
- 2
- 3
- 4
- 5 (fully disagree)
- Don't know / no opinion / not relevant

Please, explain your scoring:

***Question 37:**

(a) How do you suggest accommodating the establishment of macro-prudential authorities at the national level, and the SSM and SRB, in the General Board's membership?

Please rank your answer from 1 (fully agree) to 5 (fully disagree).

- 1 (fully agree)
- 2
- 3
- 4
- 5 (fully disagree)
- Don't know / no opinion / not relevant

Please, explain your scoring:

*****(b) Do you consider it warranted to require Member States to designate a single national representative, with representation possibly varying in accordance with the concrete issues for discussion and decision?

Please rank your answer from 1 (fully agree) to 5 (fully disagree).

- 1 (fully agree)
- 2
- 3
- 4
- 5 (fully disagree)
- Don't know / no opinion / not relevant

Please, explain your scoring:

Question 38:

How do you assess the work of the two ESRB advisory committees (ATC and ASC)? In particular, would you suggest any changes in their role and/or composition?

3. Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) here: