

THE PACKAGE OF BANKING REFORMS 2019

On 16 April 2019 the European Parliament adopted the new package of banking reforms. This package is a milestone in the completion of the Banking Union, in the finalization of the post-crisis regulatory agenda, and in the implementation of international standards.

It consists of updates of four documents. These are Capital Requirements Regulation and Directive, which reflect Basel III rules on capital measurement and capital standards, and Single Resolution Mechanism Regulation and Bank Recovery and Resolution Directive which establish a framework for the recovery and resolution of credit institutions and investment firms.

The following is updated:

- 1) Capital Requirements Regulation 2: leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and amends European Market Infrastructure Regulation
- 2) Capital Requirements Directive 5: exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers, and capital conservation measures
- 3) Single Resolution Mechanism Regulation 2: loss-absorbing and recapitalization capacity for credit institutions and investment firms
- 4) Bank Recovery and Resolution Directive 2: loss-absorbing and recapitalization capacity of credit institutions and investment firms and it amends several Directives

Quantitative Consulting is providing consultations in fields related to this topic.

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