



## EBA publishes revised final draft technical standards and Guidelines on methodology and disclosure for global systemically important institutions

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**The European Banking Authority (EBA) published today revised final draft regulatory technical standards (RTS) to specify how to identify the indicators of global systemic importance and revised Guidelines on their disclosure. The need for this revision was prompted by the revised framework introduced by the Basel Committee on Banking Supervision (BCBS) in July 2018 to identify global systemically important banks (G-SIBs) as well as by the new requirements laid down in the fifth Capital Requirements Directive (CRD V), which recognise the importance of cross-border activities within the European Banking Union area.**

The list of EU G-SIBs identified by the BCBS and the global systemically important institutions (G-SIIs) identified by Member States' authorities have remained identical. One of the key changes stemming from the BCBS' revised approach is the introduction of a new trading volume indicator, which adds up to the existing 12 indicators used to measure systemic importance. In addition, the revised standards include insurance activities in the indicators-based measurement approach.

At EU level, CRD V has mandated the EBA to develop an additional methodology for the identification of G-SIIs that excludes the cross-border activities of EU banks in Member States of the European Banking Union. The rationale behind this request is to recognise the efforts made in recent years to create harmonised European banking regulation and a common approach to resolution. This additional EU methodology shall take into account the Single Resolution Mechanism (SRM), which could lead to the re-allocation of a G-SII from a higher to a lower sub-category, hence potentially translating into lower capital buffer requirements. These revised RTS will apply from the 2022 G-SII assessment exercise based on end-2021 information.

As a result of the revised Basel framework, also the EBA Guidelines on G-SIIs disclosure requirements have been updated. These requirements apply not only to institutions that have already been identified as G-SIIs but also to other very large entities in the EU that have an overall leverage ratio exposure measure exceeding EUR 200 billion. The EBA Guidelines go beyond the requirements laid down in the Regulation and enable Member State authorities to perform the identification and scoring process and disclosure in a timely manner, and in particular before the identification of any G-SIIs.

Both the RTS on the identification methodology for G-SIIs and the EBA guidelines on disclosure requirements will be under ongoing review, as the BCBS identification process is subject to regular reviews of the identification methodology.

### Legal basis

The revised RTS have been drafted in line with the new BCBS' framework for the identification of G-SIBs introduced in July 2018 and in accordance with Article 131 of Directive (EU) 2019/878 (CRD V) which requires that the EBA designs an additional identification methodology for G-SIIs based both on the existing international standards and on the cross-border activities of the group.

The Guidelines have been issued in accordance with Article 16 of Regulation (EU) No 1093/2010 (EBA Founding Regulation), which mandates the Authority to establish consistent, efficient and effective supervisory practices within the ESFS, and to ensure the common, uniform and consistent application of Union law.

#### DOCUMENTS

- › Draft RTS on the specification of the methodology for the identification of GSIIIs
- › Guidelines on the specification and disclosure of systemic importance indicators

#### LINKS

- › Technical standards for the identification of global systemically important institutions (G-SIIIs)
- › Guidelines for the identification of global systemically important institutions (G-SIIIs)
- › Own funds

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