



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Simplification of the European prudential regulatory, supervisory and reporting framework

## Press briefing

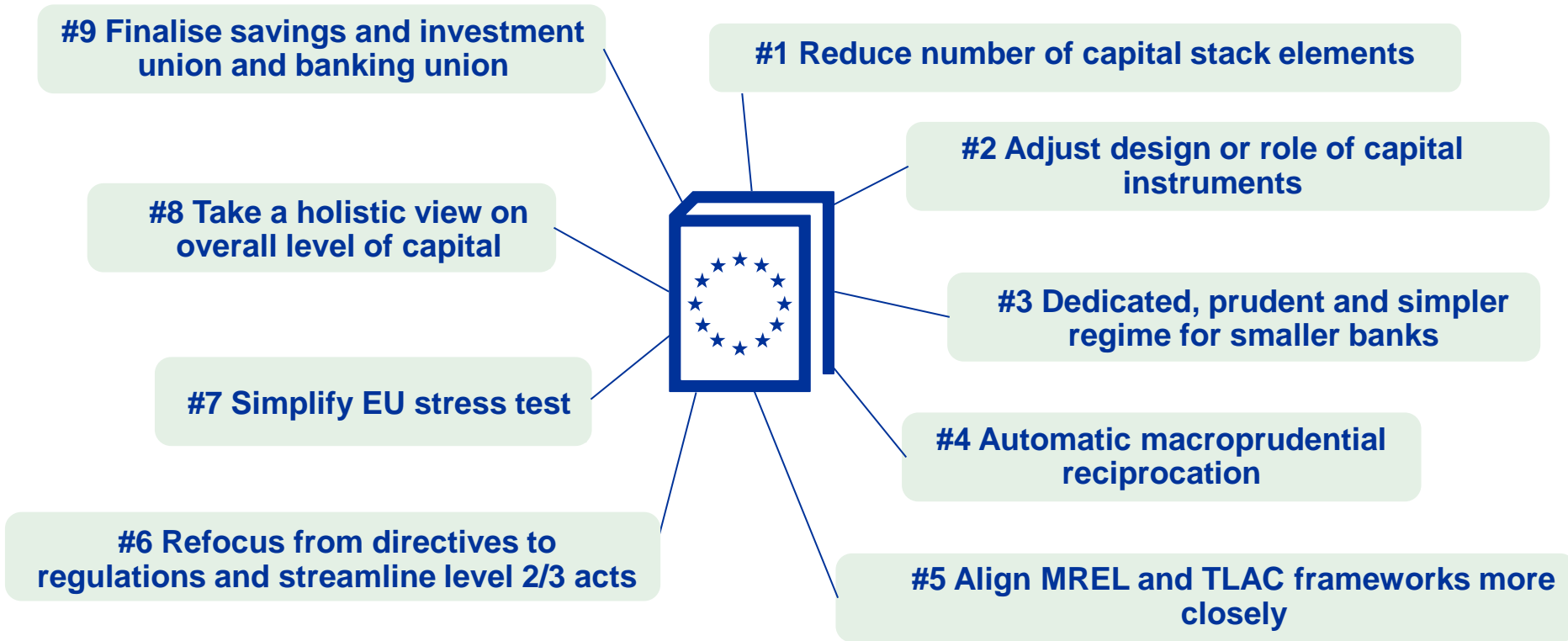


**L. de Guindos**  
ECB Vice-President

# Governing Council High-Level Task Force (HLTF) on Simplification

- **ECB's Governing Council** has endorsed the HLTF recommendations for **regulatory, supervisory and reporting framework**.
- Report informs 2026 **Commission Report on the banking sector in the Single Market**.
- The recommendations abide by the following **principles**:
  - **Resilience should be maintained, simplification is not deregulation**
  - **Effectiveness in meeting prudential objectives needs to be maintained**
  - **European harmonisation and financial integration should be fostered**
  - **International cooperation should be upheld**

# Recommendations to simplify the regulatory framework



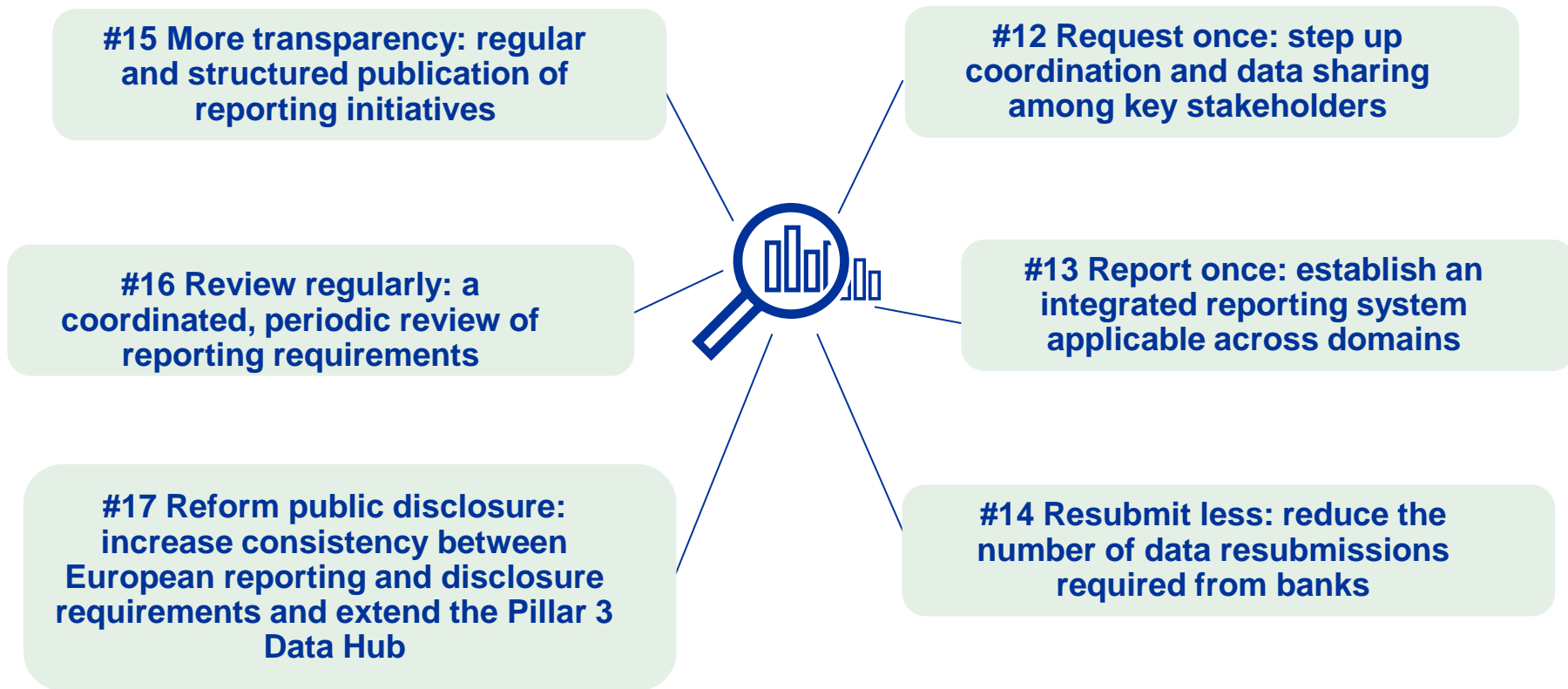
# Recommendations to simplify the supervisory framework

**#10 Strengthen and complete the EU Single Rulebook to simplify and harmonise supervisory practices**

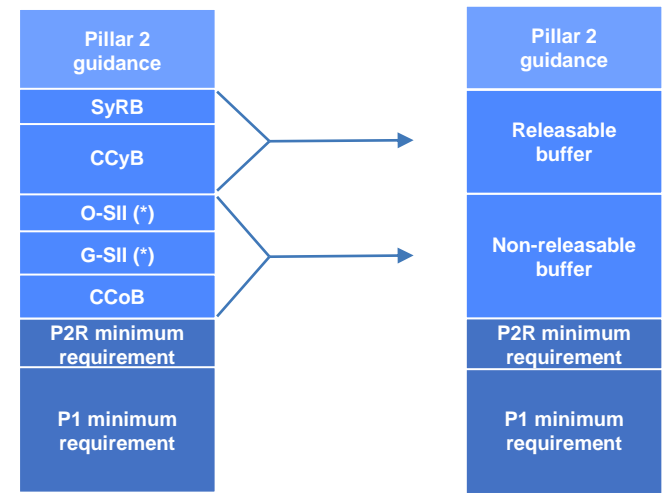


**#11 Increase the risk focus of supervision by changing the level of prescriptiveness of regulation governing supervisory processes**

# Recommendations to simplify the reporting framework



# Recommendation #1: Reduce number of capital stack elements



**Recommendation #1 proposes reducing the number of capital stack elements in the prudential framework.** This could be achieved by merging the different capital buffers into two: a non-releasable buffer (merging the capital conservation buffer and the higher of the other systemically important institutions (O-SII) and global systemically important institutions (G-SII) buffers) and a releasable buffer (merging the countercyclical capital buffer and the systemic risk buffer). P2G would be kept separate, on top of the releasable buffer. Any reduction in the number of buffers must maintain the current allocation of macroprudential and microprudential powers and preserve the competencies of national and supranational authorities within the banking union (\*\*). The calibration of all elements through clear common principles and methodologies, including a single exercise, would serve to avoid unwarranted overlaps or inconsistencies. This single exercise could be based among others on a modified EU-level stress test, reflecting European and national financial cycles and risks, as a starting point for the releasable buffer and the P2G. It should also avoid creating undue additional expectations.

(\*\*) Microprudential and macroprudential competences are governed by the SSM Regulation. Setting macroprudential buffers is a shared responsibility between the ECB and national macroprudential authorities with the ECB having top-up powers, enabling it to tighten macroprudential measures outlined in EU law and implemented by a Member State participating in the banking union.

(\*) For the O-SII and G-SII buffer, the higher of two applies.

# Q&A