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On 28 November 2016, Antonio García del Riego, EESC member and rapporteur for the opinion on *Recovery and Resolution of Central Counterparties* (CCPs), participated in the 4th Single Resolution Board (SRB) industry dialogue, held in Brussels.

During the event, the SRB discussed its objectives for 2017 with members of the banking industry. The SRB is currently responsible for the resolution of banks in Europe. At a later stage, the SRB could also be put in charge of resolution of CCPs which are becoming critical actors in financial activity, since the agreement reached by the G20 in 2009 established them as clearing centres for the derivative markets. This would entail a massive increase in volumes, considering that total trades in one product alone, such as interest rates swaps, are in the range of USD 250 trillion. Therefore, being aware of the scope and future programme of SRB activities is becoming particularly important.

The discussion focused on the funding criteria for financing the administrative costs of the SRB as well as the ways in which the Resolution Fund is to be nurtured. Both budgets are to be financed by the banking industry, in another clear attempt to avoid tax payers paying for the day to day running of the institution or the consequences of resolving a major financial institution. However, how the industry will contribute to the Resolution Fund is very unclear. This consequently raised a number of questions and criticisms with regards to the lack of transparency and straightforwardness required in the financial sector. In addition, during the discussion the SRB indicated that fixed targets for each individual bank in terms of a Minimum Requirement of Eligible Liabilities (MREL) will be established in 2017. This is a matter of great importance for the banking industry, as banks will be forced to create another layer of instruments that could absorb losses before they reach a stage where they would need to be recovered or even resolved. This is another measure taken at G20 level and is being implemented in other jurisdictions. By using the MREL instruments Europe intends to avoid the risk of tax payers' involvement in the resolution of a major financial institution. According to first indications, approximately EUR 120bn in MREL instruments needs to be issued by the European banking industry. However there are questions as to whether the market would be able to absorb this.

On a final note, the Chair of the SRB, Ms Elke König, emphasised the importance of the analysis of the Recovery and Resolution Plan and the ability of each institution to draw one upurgently if needed. It was also underlined that institutions and the Supervisory and Resolution Authority should play an active role, and that the analysis as such should be seen as a yearly process rather than a product.

Further information about the event can be found on <https://srb.europa.eu/en/node/176>