



**Single  
Resolution Board**

# **SRB – Banking Industry Dialogue Meeting Contributions to the Administrative Expenditure of the SRB for 2017**

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# Legal Basis

- Art. 59(1) of the SRMR states that *“The revenues of Part I of the budget shall consist of the annual contributions necessary to cover the annual estimated administrative expenditure”*.

Art. 65 of the SRMR states that the entities to contribute are those stipulated in Art. 2 of the SRMR, that is:

- a) credit institutions established in a participating Member State;
- b) parent undertakings, including financial holding companies and mixed financial holding companies, established in a participating Member State, where they are subject to consolidated supervision carried out by the ECB in accordance with Article 4(1)(g) of Regulation (EU) No 1024/2013;
- c) investment firms and financial institutions established in a participating Member State, where they are covered by the consolidated supervision of the parent undertaking carried out by the ECB in accordance with Article 4(1)(g) of Regulation (EU) No 1024/2013.

# How the Contributions are determined?

Art. 65(5) of the SRMR empowers the European Commission to adopt delegated acts on the contributions. It provides for two systems:

- a) A provisional system, until the Board is fully operational
  - Applicable for the years 2014-2015 and for 2016;
  - Extension for one more year, 2017.
  
- b) A final system
  - Applicable as from 2018.

# The provisional system

Pursuant to Art. 65(5) of the SRMR, the European Commission has adopted the delegated act (EU) No 1310/2014 of 8 October 2014. Key features include:

- a) All entities shall pay contributions for the provisional period;
- b) Only the “significant entities” are invoiced, and they pay in advance:
  - *the entities that have been notified by the ECB, at the highest level of consolidation within the participating Member States, of the ECB's decision to consider them significant within the meaning of Article 6(4) of Regulation (EU) No 1024/2013 and in accordance with Article 147(1) of Regulation (EU) No 468/2014, and which are mentioned in the list published on the ECB's website on 4 September 2014, but excluding those significant entities, which are subsidiaries of a group already taken into account in this definition, and branches, which are established in participating Member States, of credit institutions established in non-participating Member States.*
- c) Only one data point is used, the “total assets”:
  - *the total value of assets derived from the line ‘total assets’ on the consolidated, where relevant, balance sheet of the significant entity as reported in accordance with the relevant Union law for prudential purposes as of 31 December 2013 or as of the applicable reporting date for the financial year 2013, if the financial year ends at a later date than 31 December.*
- d) The instalments are calculated by multiplying the administrative expenditures of the Board for the period by the ratio of the total assets of each significant entity to the aggregate of the total assets of all significant entities.
- e) The calculation and collection of the contributions for all other entities, is deferred until after the end of the provisional period.
- f) Any positive budget result is not refunded, but it reduced the contributions to be raised in the upcoming year.

# Settlement arrangements of the provisional system

a) The contributions for the provisional period shall be recalculated under the provisions of the final system.

*The amount of contributions due by each entity referred to in Article 2 of Regulation (EU) No 806/2014 to cover the administrative expenditures of the Board during the provisional period shall be (re)calculated in accordance with the final system of administrative contributions adopted by the Commission in accordance with Article 65(5)(a) of Regulation (EU) No 806/2014 (the 'final system').*

b) Offsetting will take place in 2017:

- i. Entities who did not pay so far, will be asked to pay in 2017 for more than 1 year (2017 + 2016 + 2014 / 2015)
- ii. Entities who paid, will be asked to pay decreased contributions for 2017

*Any difference between the instalments paid on the basis of the provisional system and the contributions referred to in paragraph 1 calculated in accordance with the final system shall be settled in the calculation of the contributions to cover the administrative expenditures of the Board for the year which follows the provisional period. That adjustment shall be made by decreasing or increasing the contributions to the administrative expenditures of the Board for that year.*

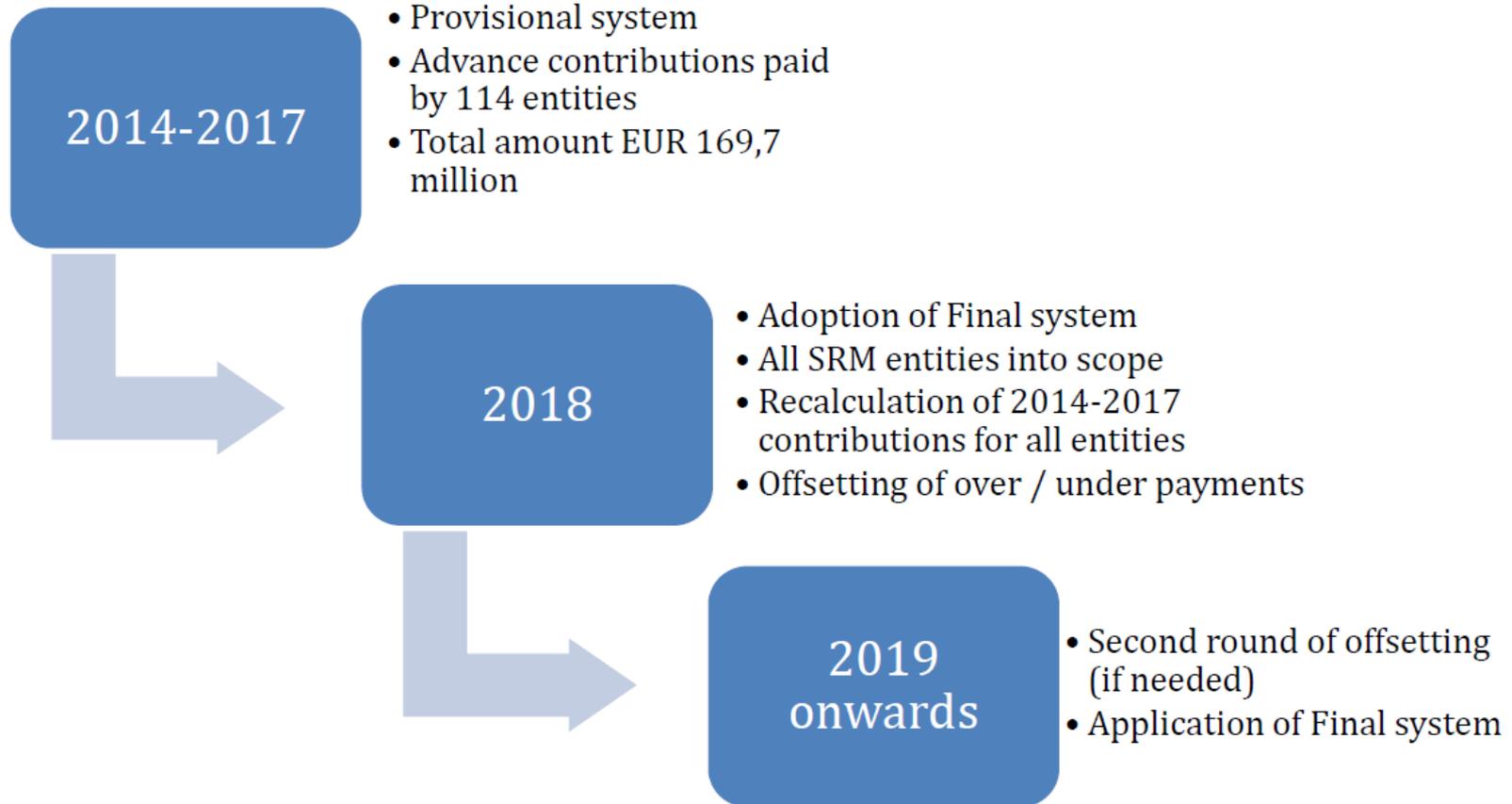
c) No refunds shall be given.

*Where the difference referred to in paragraph 2 is higher than the contributions due for that year, the adjustment shall continue in the subsequent year.*

# Final system

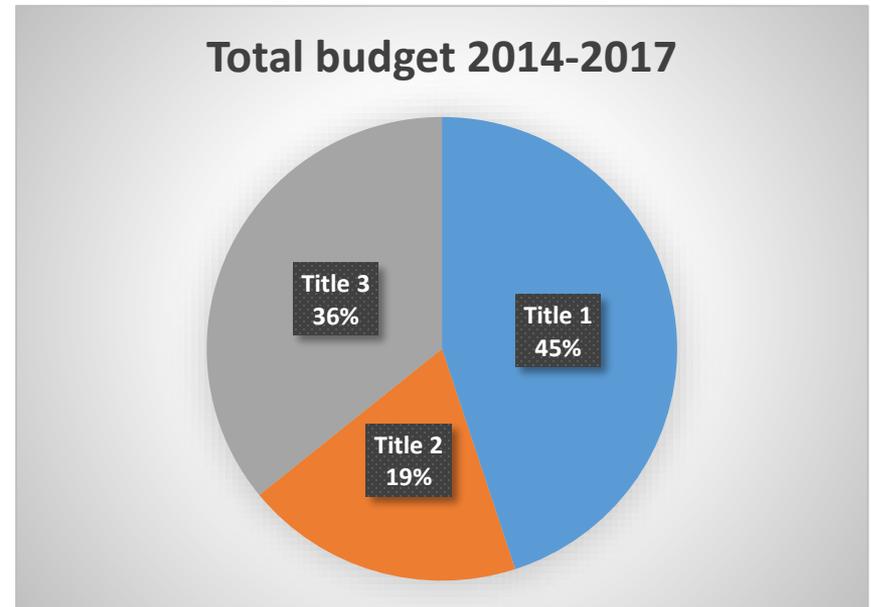
- a) Delegated Act to be adopted in 2017 / 2018.
- b) Provisions will exist for the entities who enter or exit the market during the year.
- c) The final text is not known yet.

# Final system and transitional period

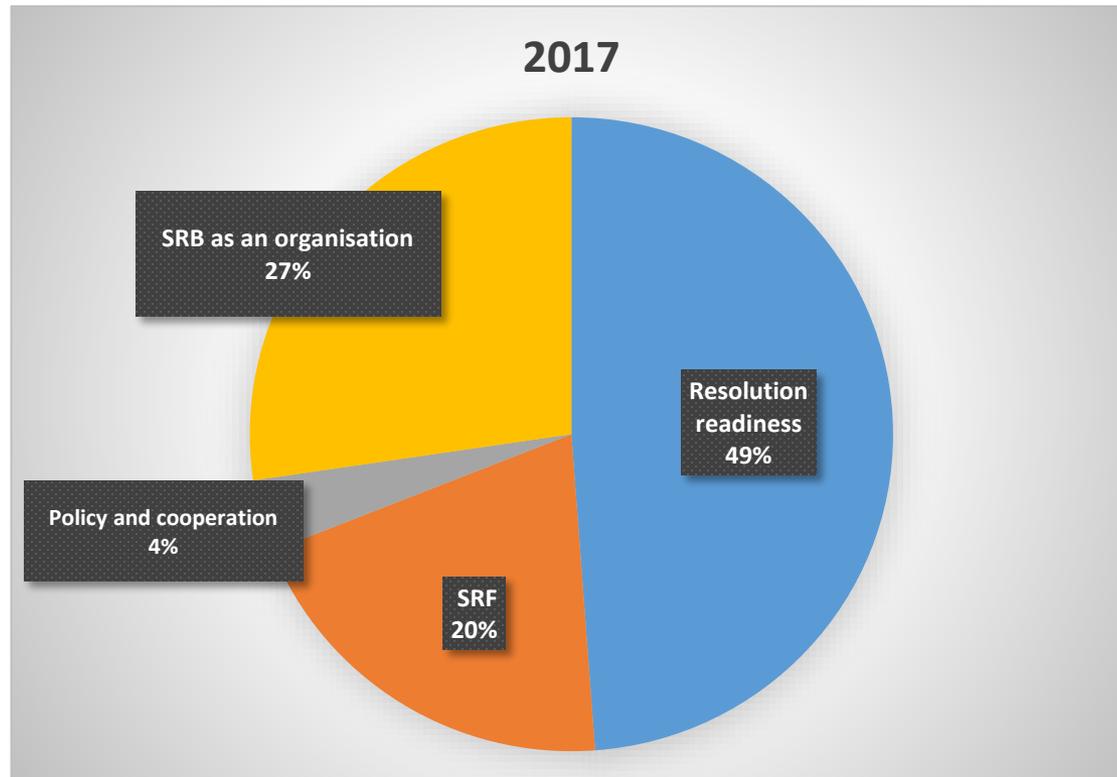


# Budget 2014-2017

- ❑ The indicative budget of the provisional period for SRB amounts to EUR 169,7 million.
- ❑ The budget is adopted by the Plenary session of the Board.
- ❑ The budget implementation is audited by the European Court of Auditors.



# Budget 2017 – distribution per activity





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**THANK YOU**

For more information, please contact:

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