

The SRB's approach to simplification

This report outlines the SRB's ongoing work and contributions to the discussion on the simplification of banking regulation, and the resolution framework in particular. This document has not been formally endorsed by the SRB in its relevant governance bodies and should not be interpreted as representing an official position of the SRB. It is intended solely to provide an update of ongoing work at the SRB, and SRB staff-level views regarding the debate on simplification. This report may be updated at later stage based on ongoing work and discussions.

Introduction

The SRB has explained its approach to simplification in its reporting to the Eurogroup¹ and to the ECON Committee of the European Parliament², as well as in dedicated blogposts³.

The SRB is working to simplify its own processes and approaches, which will result in fewer deliverables requested from banks, greater stability and predictability in data requirements and policies, and faster interactions. It will also support broader simplification efforts by issuing recommendations on areas for improvement, such as legislative requirements that drive the frequency of resolution planning or prior permission regime. Ultimately, meaningful simplification will also depend on deeper Banking Union integration and market development, and the SRB stands ready to contribute to work in these areas.

In this context, we set out the SRB's general principles in the ongoing debate on simplification. We then outline actions which the SRB is considering and/or implementing as well as recommendations for others.

Overall principles

The SRB's work on simplification is guided by four core principles.

- **Effective and efficient delivery of SRM mandate supports competitiveness:** The SRM mission to safeguard financial stability and protect taxpayers fosters competitiveness by increasing resilience of and trust in the EU financial sector. The SRB is committed to continue delivering on this mandate effectively and efficiently in line with the SRM vision 2028. This means evaluating the costs and benefits of how the SRB implements the resolution framework and seeking to avoid undue burdens. It also means maintaining appropriate loss-absorbing capacity and a fully operational SRF, and to continue progressing on crisis readiness and resolvability.

¹ https://www.srb.europa.eu/system/files/media/document/2025-11-12_SRB_Eurogroup_bi-annual-reporting-note_November-2025.pdf

² <https://www.srb.europa.eu/en/content/srb-chair-dominique-laboueix-econ-committee-hearing#:~:text=For%20the%20first%20time%2C%20under,%2C%20fairer%2C%20and%20more%20resilient.>

³ <https://www.srb.europa.eu/en/content/bank-resolution-made-simple-mission-impossible>

- **Supporting advanced Banking Union integration:** The single rulebook and the Banking Union are the most powerful levers for simplification and for competitiveness, reducing the patchwork of national rules, facilitating more integrated markets and enabling the SRB to apply simpler procedures and requirements for banks. Many pieces of the Banking Union jigsaw are still under development or even missing: the final steps of CMDI, updated State aid rules, a credible liquidity backstop, the European Deposit Insurance Scheme, and moving towards a truly single market for banking. These projects require political will. Yet a stronger Banking Union would make European banks and economies stronger and more resilient.
- **Focusing on actions that enhance efficiency without compromising resolvability:** The SRB is committed to simplify the way it implements the resolution framework. We put a focus on measures that simplify and reduce burdens in the shorter term and can be implemented by the SRB itself. Moreover, the SRB is ready to support legislators and regulators on possible ways to simplify the framework itself. Capital stack simplification in particular has to be looked at holistically. As we set out in more detail in a dedicated blogpost⁴, the requirements for resolutions have to mirror supervisory requirements so that the bank is viable after resolution.
- **Cooperation and trust are critical to effective crisis management.** International alignment is critical to effective crisis management, particularly in situations involving cross-border institutions and systemic risk. A robust crisis management framework also depends on strong coordination and mutual confidence among authorities. To support this cooperation, the framework must remain firmly anchored in internationally agreed standards, in particular the Key Attributes developed by the Financial Stability Board, which provide a common foundation for consistent actions, information sharing, and coordinated decision-making across jurisdictions.

SRB actions on simplification

The SRB's ongoing simplification actions are listed in the table below. The following paragraphs explain each initiative.

1. Information & Reporting requirements

1.1 Streamline data requests contributing to cost reduction by 25% as defined by EC (SRB/ NRAs/ EBA/ SSM)

1.2 Reduce frequency of bank deliverables that have reached a mature stage

1.3 Simplify the prior permissions regime

⁴ <https://www.srb.europa.eu/en/content/capital-and-resolution-stacks-room-simplification>

1.4 Decrease frequency of certain resolution reports (FMI etc.), and waive elements from the SRF data collection

2. Frequency & intensity of planning and testing

2.1 Suggested review of the frequency of the resolution planning cycle

2.2 Conduct targeted resolvability testing, OSIs and interactions with banks

2.3 Suggested review of the simplified obligations methodology (to cover more banks)

2.4 Developing digital solutions to facilitate the processing of information

3 Clear, predictable and stable guidance

3. Ensure stability and predictability of SRB guidance in dialogue with the industry

1. Information & reporting requirements

1.1 Streamline data requests contributing to cost reduction by 25% as defined by the European Commission:

- a) **Streamlining reporting for banks:** the new EBA technical standards on resolution planning reporting⁵ and the ensuing work reflected in the SRB 2026 resolution reporting⁶ will deliver simpler reporting requirements.
- b) **No double reporting:** reporting obligations for Less Significant Institutions (LSIs) are determined by NRAs (that are responsible for LSIs). The SRB aims to only request additional data from banks in agreement with NRAs, so as to avoid double reporting (and does not request from NRAs any LSI data already in its possession).
- c) **Develop an inventory of all data requests:** The SRB is working on an inventory of all data requests (regulatory reporting, additional SRB/NRA data requests) to avoid duplications, present banks with a stable and predictable pipeline, and optimise data usage by authorities. This work is in coordination with the EBA and is part of the Commission's Supervisory Data Strategy initiatives, in particular around data sharing and the creation of a common data dictionary.

The SRB also contributes to the Joint Bank Reporting Committee (JBRC)⁷ on integrated reporting, which will deliver further simplification through alignment and standardisation in the longer term. One resolution related

⁵ <https://www.eba.europa.eu/publications-and-media/press-releases/eba-updates-technical-standards-resolution-planning-reporting>

⁶ <https://www.srb.europa.eu/en/content/2026-resolution-reporting>

⁷ https://www.ecb.europa.eu/stats/ecb_statistics/reporting/jbrc/html/index.en.html

example of this is exploring synergies between data required for valuation and the ECB's statistical data collection⁸.

Predictability and stability: the SRB has implemented a Single Planning Process to define its priorities and to coordinate the entire resolution planning cycle accordingly. Focus on data requests will ensure their predictability and stability.

1.2 Reduce frequency of bank deliverables that have reached a mature stage

- a) The SRB publishes a list of upcoming consultations and requests to the industry every year⁹. This enhances predictability for banks to plan in advance for the deliverables they will be requested to submit, and to organize their resolution-related work.
- b) Given the progress made on resolvability and the SRB's overall commitment to streamlining practices and reducing undue burden on the banking sector, deliverables which have reached a mature stage (such as playbooks or analysis) will be requested less frequently (when legally possible). The SRB will request a new version only after careful consideration of the progress achieved by the bank, of the impact of remaining gaps on the overall resolvability, and if information provided in the previous version has become outdated.

1.3 Simplify the prior permissions regime

The SRB's objective is to simplify the authorisation process for banks' early redemptions of MREL instruments, making it more agile, without reducing resilience. As a first step, the SRB has already adopted a pragmatic approach for instruments with residual maturity lower than one year, including callable instruments¹⁰. Further, the SRB is taking measures to substantially shorten and streamline the authorisation process for MREL reductions in 2026. In order to further reduce the burden for banks, the prior permission framework would benefit from a legislative review for MREL instruments.

The SRB welcomes recent changes to the **impracticability regime** under Article 55 BRRD as part of the Crisis Management Deposit Insurance (CMDI) review, which reduces both the scope of affected banks and the notification requirements.

1.4 Decrease frequency of some resolution reports (FMI), simplify MREL disclosures, and waive some elements from the SRF data collection

- a) **Decrease the frequency of some resolution reports:** The SRB recommends to legislators to review the frequency required for some resolution reports which remain quite stable over time. For example, this could encompass reports related to critical functions, FMI service providers and relevant services.
- b) **Waive some elements from the SRF data collections:** SRB, together with NRAs, will explore possibilities to reduce some data collections for the purpose of the calculation of SRF contributions.

⁸ https://www.ecb.europa.eu/stats/ecb_statistics/reporting/IReF/html/index.en.html

⁹ <https://www.srb.europa.eu/en/content/srb-publishes-list-consultations-and-requests-industry-2026>

¹⁰ https://www.srb.europa.eu/system/files/media/document/QA%20document%20on%20SRB%20administrative%20practices%20on%20prior%20permission_final_0.pdf

2. Frequency & intensity of planning and testing

2.1 Suggested review of the frequency of resolution planning cycles

The SRB has already simplified resolution plans, thereby leading to efficiency gains for banks.

After a decade of resolution planning, the SRB recommends legislative changes allowing to move to a two- or three-year resolution planning cycle, in order to further reduce burden for authorities and banks, to focus resolution planning more on specific elements, and to facilitate work on operationalisation and testing. Several options could be considered (by legislators) for diminishing the minimum frequency, for instance introducing a materiality threshold for MREL changes requiring new MREL decisions; decoupling MREL decisions from resolution planning updates; and increasing flexibility for resolution authorities (e.g. only to update resolution plans when deemed necessary according to some materiality criteria)¹¹.

2.2 Targeted resolvability testing, on-site inspections (OSIs) and interactions with banks

This work is reflected in the SRB 2026 Work Programme¹², notably through the SRB's approach to testing and on-site inspections.

- a) On **testing**: the SRB published an operational guidance and feedback statement¹³ explaining its approach to a targeted and risk-based testing through targeted multi-annual testing programmes. Testing remains an SRB priority for all its banks.
- b) **On on-site inspections (OSI)**: Six OSIs are planned for 2026 and the SRB OSI planning is closely coordinated with NRAs and the ECB in order to mitigate the overall burden on the inspected legal entities.

2.3 Suggested review of the simplified obligations methodology

In the Banking Union there are around 1900 LSIs. The vast majority of these LSIs, circa 97%, are expected to be liquidated under normal insolvency proceedings. These “liquidation banks” face fewer requirements from resolution authorities. Furthermore, 97% of these liquidation LSIs are subject to simplified obligations (SO)¹⁴, which means less frequent resolution planning and reporting obligations.

There may be space for making the SO methodology even more flexible and proportional. For instance, raising the quantitative threshold to allow a few more banks to become eligible, and/or enabling eligibility also on the basis of NRAs qualitative assessments (eg. with country-specific indicators, similar to the flexibility granted under the EBA guidelines on O-SIIs). Moreover, one could explore a further decrease of the frequency for updating resolution plans of SO banks. The SRB stands ready to support a potential review of the SO methodology¹⁵.

¹¹ This may require amendments to SRMR Article 8(12) and 12(4) SRMR.

¹² https://www.srb.europa.eu/system/files/media/document/2025-11-26_SRB-Work-Programme-2026.pdf

¹³ <https://www.srb.europa.eu/en/content/srb-publishes-operational-guidance-resolvability-testing-banks-enhance-crisis-readiness>

¹⁴ Pursuant to BRRD Article 4 and SRMR Article 11.

¹⁵ This would require review of COM DR 2019/348.

2.4 Developing digital solutions to facilitate the processing of information

The SRB is exploring the development of digital solutions to facilitate the processing of information (data and documents) – e.g. heatmap and testing tool, resolution planning automation, etc. This should facilitate better collaboration and materialise efficiency gains when processing the information and producing decisions.

3. Clear, predictable and stable guidance

After years of policy development, the SRB is committed to delivering stability in resolution policies, as already demonstrated with the MREL policy. To enhance transparency and strengthen stakeholder engagement, the SRB is conducting public consultations and hearings, a practice that will continue to ensure stakeholders' views are duly considered to apply an efficient and proportionate approach for the implementation of new requests. The SRB will also assess the necessity of any policy changes on the basis of their expected impact on resolvability.

Conclusion

Looking ahead, the SRB together with NRAs will proceed in the coming months and years to implement the simplification actions mentioned above which do not require legal changes. This should, for instance, further reduce requests for banks deliverables, shorten the SRB length of permission and authorisation processes, and increase stability of guidance.

The SRB will also share its recommendations with the European Commission and the EBA on those actions which require legal changes (eg. resolution planning frequency and reports, prior permission, simplified obligations, etcetera) and contribute on broader questions with relevance to resolution (eg. capital stack).