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1. EUROPEAN CENTRAL BANK (ECB)

1.1 ICAAP practices - ECB publishes report - 11 August 2020 - The European Central Bank (ECB) has published a report on banks' internal capital adequacy assessment process (ICAAP) practices. This follows the publication of an ECB guide on ICAAP practices in November 2018. The ECB states that the ICAAP is a key risk management instrument that allows banks to assess the risks they are exposed to in a structured manner and that improved ICAAP practices strengthen banks' ability to successfully navigate through periods of stress.

The report summarises banks' ICAAP practices based on an analysis of data submitted by a representative sample of significant institutions under the Single Supervisory Mechanism in April 2019. Among other things, it highlights areas where banks' practices appear to be further developed, as well as those where the ECB considers improvements are needed. In particular, the ECB notes banks' collective improvements in establishing appropriate risk identification processes, producing capital adequacy statements and conducting stress testing and capital planning.

[ECB report on banks' ICAAP practices](#)

1.2 New digital finance strategy for Europe/FinTech action plan - ESCB/European banking supervision responds to the European Commission's consultation

- 27 August 2020 - The ECB has published a response by the European System of Central Banks (ESCB) to the European Commission (EC) consultation on the FinTech action plan. The ECB broadly supports the priority areas identified by the EC to foster the development of digital finance in the EU. While recognising the significant benefits that FinTech may bring, it also notes that the digital transformation of the banking sector has to be performed taking due account of the risks related to the use of innovative technologies. One important challenge, the ECB notes, will be to reassess the dependence of European financial service providers on non-EU providers of critical services and technical infrastructures, such as the "cloud".

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The ECB further notes that, while the current EU financial services regulatory framework is already broadly technology neutral, it should support fair competition and ensure a level playing field in digital financial services, while addressing associated risks and also reinforcing the need to develop strong risk management at the firm level. With regard to facilitating the use of digital financial identities throughout the EU, the ECB fully endorses the mandatory use of unique identifiers. It also supports the need for enhanced cooperation throughout the EU on different schemes such as regulatory sandboxes and innovation hubs. Finally, the ECB considers that open finance can have implications for supervised banks, at both entity and systemic levels. It should in particular be ensured that customer data sharing, including with third-party providers, meets clear legal requirements and fulfils security standards.

ESCB/European banking supervision response to EC's consultation

1.3 List of supervised entities - ECB publishes updated list - 8 September 2020 - The ECB has published a new list of all significant and less significant supervised entities, up to date as per 1 August 2020. The list indicates that, as at that date, the number of significant entities directly supervised by the ECB is 115.

List of supervised entities

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2. SINGLE SUPERVISORY MECHANISM (SSM)

- 2.1 Please see the European Central Bank (ECB) section for items on the ECB's report on ICAAP practices of banks under the Single Supervisory Mechanism and the ESCB's response to the EC consultation on the FinTech action plan.**

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3. SINGLE RESOLUTION MECHANISM (SRM)

3.1 Expectations for Banks - SRB publishes supplementary guidance on bail-in playbooks and data

10 August 2020 - The Single Resolution Board (SRB) has published several guidance documents supplementing its Expectations for Banks, which was published in April 2020. The Expectations for Banks document outlines the actions and capabilities the SRB expects banks to demonstrate in order to show their resolvability.

Among other things, the SRB has published operational guidance on bail-in playbooks. Bail-in playbooks are internal documents used by banks to establish a minimum set of objectives, processes and governance structures to support the implementation of write-down and conversion powers by resolution authorities. The guidance supplements the SRB's Expectations for Banks, covering issues including governance, communication, disclosure obligations, the identification of instruments and the provision of data, and the internal and external execution of write-downs and conversions.

The SRB has also published accompanying instructions, explanatory notes and Q&As on the bail-in data set, outlining how the SRB expects banks to comply with requirements to produce and submit timely, high-quality data to resolution authorities to enable the execution of write-down and conversion powers and the bail-in tool.

[SRB operational guidance on bail-in playbooks](#)

[SRB explanatory note on bail-in data](#)

[SRB instructions on bail-in data](#)

[SRB Q&As on bail-in guidance](#)

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SEPTEMBER 2020

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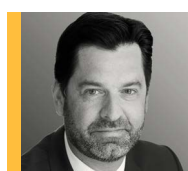
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