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Public hearing with Dominique Laboureix, Chair of the Single Resolution Board

Banking Union Scrutiny

This briefing has been prepared for the public hearing with the Chair of the Single Resolution Board (SRB), Dominique Laboureix on 4 December 2024.

This briefing addresses:

- *Regular reporting on MREL (Q2 2024)*
- *A critical review of the SRB's 2025 Work Programme*
- *New bail-in template for banks*
- *Gauging the impact of the CMDI reform*
- *Ten years of Banking Union case law (papers from the expert panel)*
- *Are current scrutiny arrangements adequate? (papers from the expert panel)*

Note that **the previous SRB scrutiny hearing took place on 23 September 2024**, so that a number of the developments we discussed in the briefing for that hearing are still relatively recent and might still be relevant for this hearing in December. We would in particular point to the sections on the **2023 Resolvability Assessment**, published in July 2024, and on the second report on **resolution planning and crisis management for small banks**, published in September 2024. As general background for the discussion with SRB Chair Dominique Laboureix, please also note our thematic briefing on the SRB's accountability arrangements and our latest briefing on the CMDI review.

Regular reporting on MREL (Q2 2024)

The **Minimum Requirement for own funds and Eligible Liabilities** (MREL) constitutes the amount of capital and debt instruments that can be written down or converted into equity to enable the resolution of

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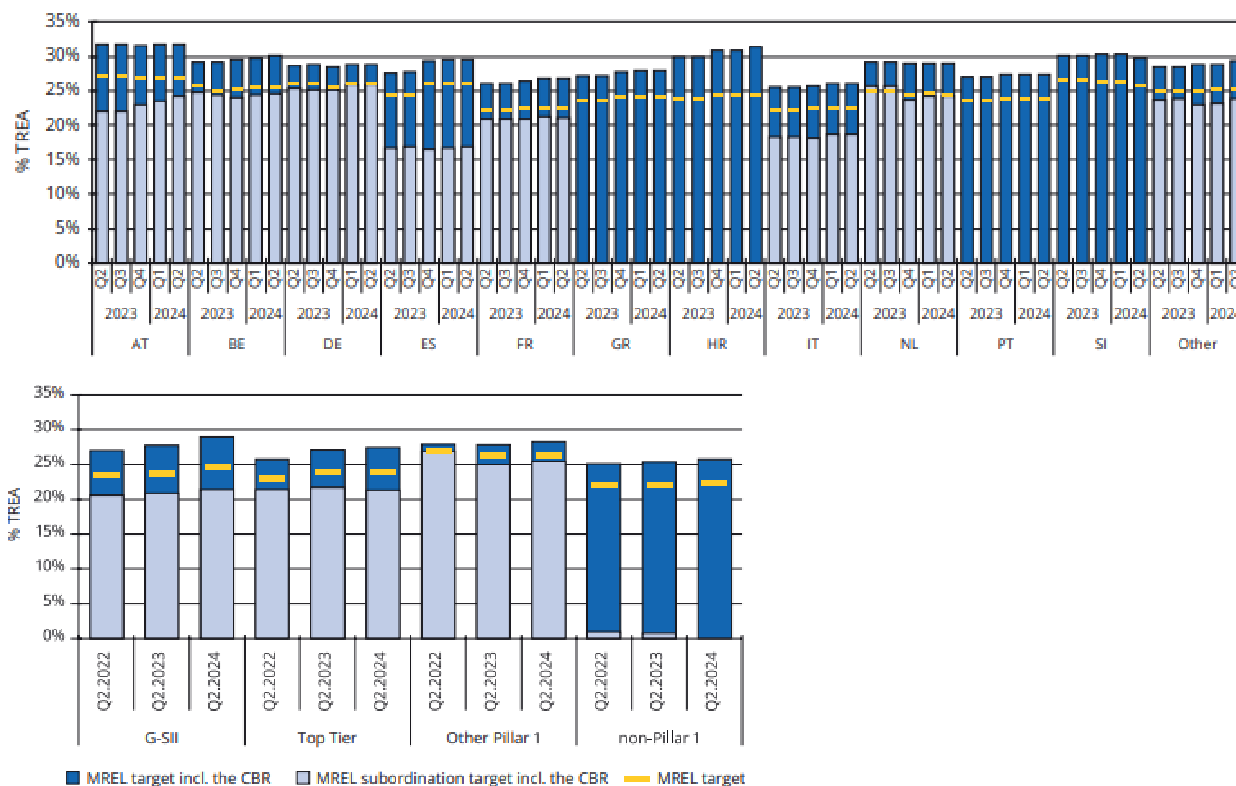
a bank, if necessary. The individual MREL amount is determined by the resolution authorities (for the largest banks and banking groups in the euro area: the SRB), depending on the preferred resolution strategy.

In November, the SRB published its latest MREL dashboard with data as of the end of the second quarter of 2024. The SRB had set final quantitative MREL **targets** for banks in its remit, which they were supposed **to reach by January 2024**. The average target across all SRB banks is 28% of the banks' risk measure ("total risk exposure amount (TREA)", which is also the basis for determining regulatory capital requirements). This is unchanged compared to the previous quarterly report. As can be seen in **Figure 1**, the **targets do not vary greatly across banks of different Member States or across types of banks,** oscillating between 25% and a bit over 30%. Nevertheless, the report also shows that for individual bank, the requirements can be as low as 18.9% and as high as 48.7%.

Visually, **stronger variation is in the share of MREL that is required to be subordinated** in order to achieve greater legal certainty and less risk of compensation payments after bail-in. Essentially, the figures suggest that for the banks that do not pose a systemic risk in the view of the national resolution authorities, hardly any subordination is required, while for the other banks, the bulk of MREL has to be subordinated. It is true that the legal framework sets minimum requirements for subordination in function of systemic relevance. That said, the amount of subordination should be determined from an assessment of the risk of the resolution authority having to compensate creditors after bailing them in. Interestingly, reading the graphs together, it appears that in some Members States, no subordination is required, which suggests that **banks in some Member States are generally not considered to pose systemic risk by their local resolution authorities.**[1]

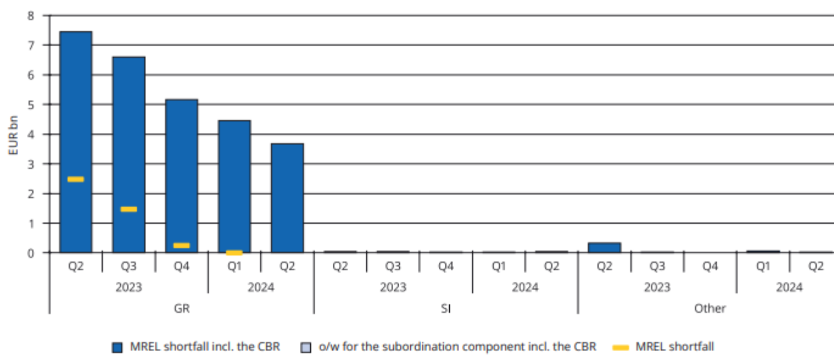
Figure 1: Q2 2024 MREL targets by country and type of banks, EUR bn



Source: SRB dashboard

[1] According to figure 1, there seem to be no subordination targets for SIs in Greece, Portugal and Slovenia, three countries that saw significant public intervention to bail-out and restructure their banking sectors during the financial crisis.

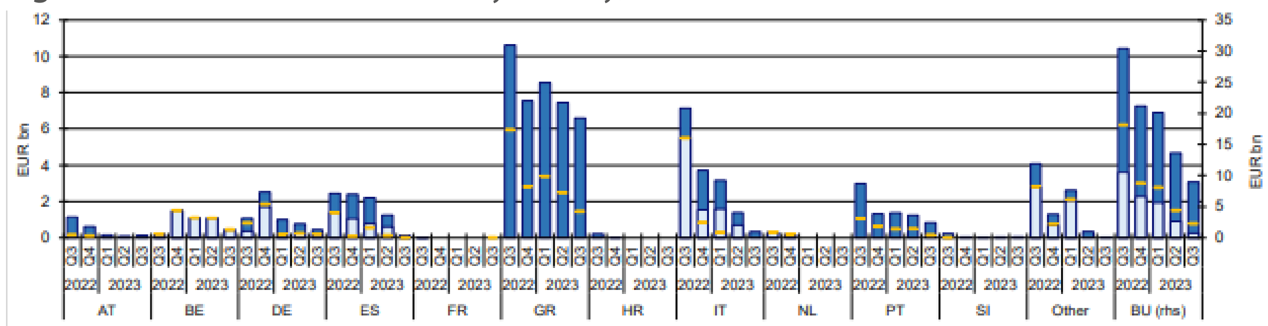
Figure 2: Q1 2024 MREL shortfalls by country, EUR bn



Note: consider the bars to indicate the total shortfall and see additional details in the original figure in the MREL dashboard
Source: SRB.

The headline information that the SRB presents is that "targets are met", despite an aggregate total **MREL shortfall of EUR 3.7 bn against final targets** (reduced from EUR 4.5 bn in Q1, including the capital buffer requirement). According to the SRB, the MREL shortfall is **attributed to six banks with transitional periods** to meet their final targets beyond 1 January 2024. **Figure 2**, reproduced from the dashboard, suggests that the banks concerned are essentially located in Greece. It is not possible to say from the information that the SRB gives how significant the MREL gap is for the banks concerned, relative to the risks on their balance sheet. The SRB does disclose relative shortfalls, but they are in our understanding calculated over the total risks of all Greek banks rather than those with shortfalls.

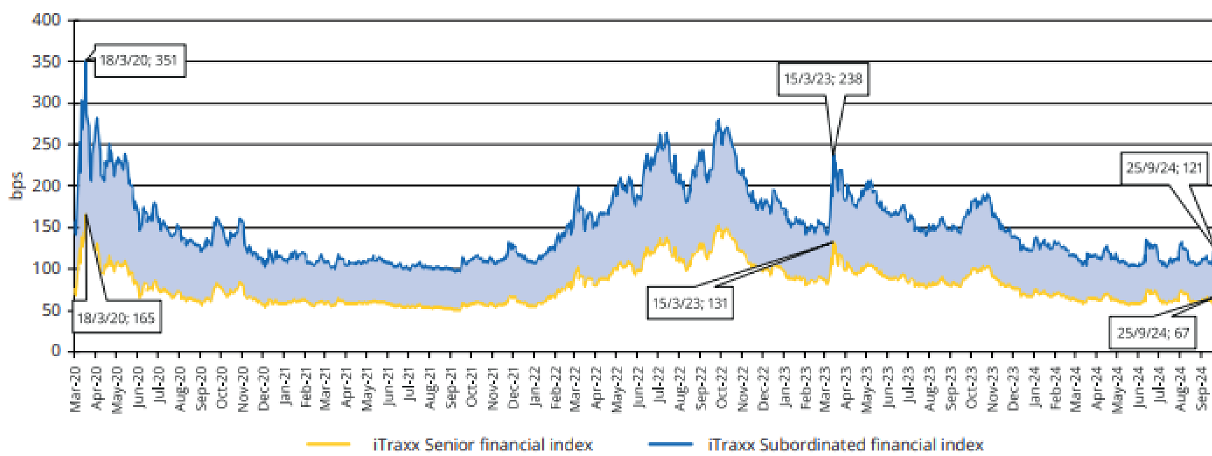
Figure 3: Q3 2023 MREL shortfalls by country, EUR bn



Note: consider the bars to indicate the total shortfall and see additional details in the original figure in the MREL dashboard
Source: SRB.

The **SRB does not further explain the rationale** for these continued transitional exceptions. Compare the remaining shortfalls also to **Figure 3**, dating from Q3 2023, which shows that in 2022 and 2023, there were still substantial shortfalls in a wide range of Member States. Apparently, the market environment allowed most banks to virtually eliminate them by now. From this interview with the SRB chair, it appears that at least some banks that had been granted longer transition periods have found ways to meet their targets by now.

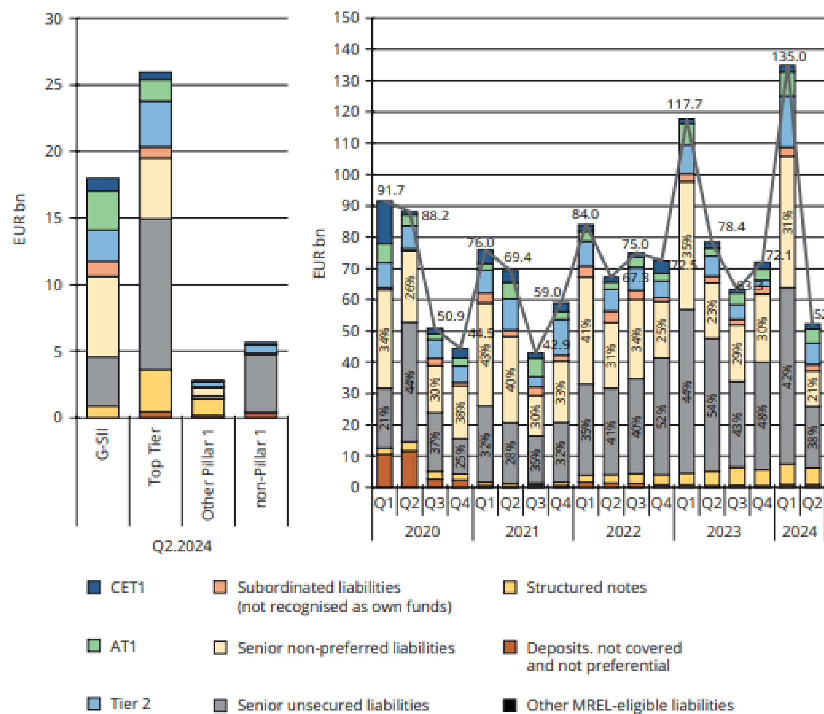
Figure 4: Funding cost



Source: SRB.

In general, the dashboard reports favourable **market conditions**. **Figure 4**, which shows an index of funding cost for financial firms, suggests that both senior and subordinated debt can currently be issued slightly below the cost of the beginning of this year. The banks concerned issued EUR 52 bn of MREL-eligible instruments in Q1 2024 after issuing EUR 135 bn in Q2, which corresponds to a common seasonal pattern of issuance. As shown in **Figure 5**, the largest share of the issuance, 38%, is in senior unsecured debt, while for GSIBs specifically, senior non-preferred debt constitutes the largest share.

Figure 5: Issuance by type of instrument



Source: SRB.

A critical review of the SRB's 2025 Work Programme

The SRB has published its Work Programme 2025 in November. From a Banking Union **scrutiny perspective**, we think that it would be useful to know - for each measure or strand of work announced for 2025 - **what specific shortcomings or problems are meant to be addressed** and how grave they are; then, furthermore, **what specific objectives the SRB sets itself** to address those shortcomings and **how progress can be verified** by the end of the year.

Unfortunately, **the work programme by the SRB lacks such clear structure and specificity, both regarding shortcomings and objective**s. Instead, the report basically lists the work planned, and describes it largely in relatively unspecific terms.

We think that the SRB's work programme can be categorised into *three levels*:

- *First, ensuring the compliance and preparedness of banks;*
- *Second, where necessary, updating the SRB's expectations to banks;*
- *Thirdly, improving the SRB's own processes, procedure and organisation.*

Now, take **one random example** from what we call the "*first level*" above, namely the SRB ensuring the preparedness of banks. Regarding liquidity in resolution, the work programme announces: *"Based on the outcome of the resolvability assessment, banks will continue to work on the three liquidity dimensions of the EfB.*[2]*"* First, the text points to the resolvability assessment, **without pointing out the specific shortcomings** and their severity in this area. Second, the text announces that the banks will do more work, but it **does not set out the specific objectives** that banks should achieve during the year. Moreover, since this is the work programme of the SRB and not of the banks, it **remains open what objectives the SRB itself would want to attain** in 2025 in order to ensure that the banks' comply. That said, the same passage of the work programme continues: "*The SRB will focus on the identification and mobilisation of collateral, in particular collateral not eligible for central bank monetary policy operations, and further assess the feasibility of banks' proposed strategies to ensure liquidity in resolution."* Thus again it does describe actions that the SRB will take, but again it is unclear what the specific shortcoming to be addressed is. For instance, does this statement imply that no collateral for borrowing and obtaining liquidity can be identified at this point in time or is it to say that there are limited problems with the identification of collateral in the margin? Moreover, the specific objective the SRB aims at remains unclear. Will all collateral at all banks be identified and methods for mobilisation identified? Or are there specific types of collateral at specific banks that will be identified and ready to be mobilised by the end of the year? **The crux, from a scrutiny perspective, is that it is not possible to verify now if the right objectives have been set and neither to verify at the end of 2025 if the SRB has attained the set objectives.**

That said, an Annex to the Work Programme contains a **summary of the SRB's "Key Performance Indicators"**. For those, specific, and in each case quantified, objectives have been set for 2025. However, the **quantitative objectives are not explained in the main text of the Work Programme**, which makes it difficult from an external perspective to establish how meaningful and ambitious they are. In **Figure 6** we reproduce a subset of those indicators, namely those we find relevant for the "*first level*" work of ensuring the compliance and preparedness of banks. As direct measure of banks preparedness the SRB uses the indicator "Percentage of banks that improve their capabilities for resolution". For 2025, a target of 100% has been set. However, the main text does not explain how and why this threshold has been chosen. At first glance, 100% may look like the unquestionably highest possible level of ambition. However, that may well

[2] Expectations for Banks, a non-legislative document describing administrative practices of the SRB.

Figure 6: Extract of SRB Key Performance Indicators

Multi-Annual Plan – Key Performance Indicators		
Key Performance Indicator	**Baseline (date)**	**Target 2025**
Percentage of banks that improve their capabilities for resolution	100% (2023)	100%
Percentage of planned tests that are carried out from the multi-year testing programme	n/a	n/a[19]
Percentage of deep-dives carried out as planned following coverage criteria	83%[20] (2023)	75%
Percentage of implementation of OSI recommendations	n/a	n/a[21]
Number of banks assessed for resolvability under SRB remit, using the new methodology	n/a	100%
Number of deep dives carried out as planned	16 (2023)	15
Number of OSIs carried out	0 (2024)	3

[19] In 2026, the multi-year testing plan will be enforced, therefore, no target applicable for 2025.
[20] The 2023 deep-dive planning included 23 deep dives. Of these, 21 deep-dives were expected to be launched in 2023, while two were supposed to be launched in Q1 2024. Out of 23 planned deep-dives, four were cancelled/postponed. The target for following years is calculated based on similar planning figures and allowing for the postponement of up to four/five deep dives per year, also based on previous years' experience.
[21] Baseline and targets will be estimated once the first OSI has been completed.

Source: SRB.

not be true upon closer inspection: if, for the sake of the argument, 20% of the banks are already close to perfection, more may be achieved by leaving those 20% in peace for the moment and setting a target of 80%, focussing on the banks with more significant shortcomings. More generally, it appears that this indicator is however **not sensitive to the importance and materiality of the progress made by banks**. Insignificant progress regarding a single capability that is not critical for resolution success at one bank counts just as much as material progress on a number of key capability at another bank. As we discussed in the section on the "*Resolvability Assessment*" in our September briefing, the SRB has found a visually attractive way to categorise resolvability capabilities and progress over time. This approach might provide an opportunity to develop a **more granular and informative way to define indicators and set targets for resolvability**. Once this has been done, it might also be easier to **connect specific shortcomings in resolvability to specific strands of work mentioned in the main text of the work programme and ultimately, to specific objectives for progress in specific areas of resolvability categories**. In the same vein, also other indicators in **Figure 6** on the number of "deep dives" or "OSIs"[3] are difficult to assess without knowing more about what issues such measures are meant to address and why they have been selected. The text of the work programme, again, does not offer such detail.

With the above-mentioned limitations in mind, we believe the following elements of the Work programme nevertheless deserve the EP's attention:

A main theme of the Work Programme is "**streamlining the resolution planning process and the resolution plans** to make them more efficient and better **focused on the most important issues**". It does not become clear from the document where specifically over the past ten years inefficiencies have sneaked into the resolution plans and where there is a lack of focus, but we understand the following measures mentioned in the Work Programme are intended to address such problems:

- tools for the operationalisation of resolution strategies
- updated Crisis Governance Handbook and new flashcards (sic)
- supporting tools including the bail-in calculator, the public interest assessment (PIA) tool, the moratorium tool and Ready for Crisis (R4C); testing these tools and training users will be carried out in 2025
- developing internal valuation capabilities.
- make the resolution plans more actionable in case of crisis

[3] on-site inspections.

- revamp the annual Resolution Planning Cycle ("The 2025 RPC will follow a new and simplified approach compared to the last RPCs with the perspective of reducing in the future time in drafting, to make plans more user-friendly and enable the shift towards more testing.")
- ensure resolution plans are fully actionable in resolution
- simplification measures (e.g., resolution plans based on a modular approach) - implement a modular approach for updating resolution plan chapters

It may be interesting to understand from the SRB Chair **to what extent a streamlining and focusing of resolution planning and resolution plans can also benefit banks**, which at times express concerns about the **administrative cost** resulting from implementing the regulatory framework. The Work Programme does not elaborate whether administrative cost is a consideration underlying the streamlining measures and what banks can expect from the SRB's plans with regard to their administrative cost. That said, we note that some measures mentioned by the SRB - for instance, "communication and document exchange with banks will continue to be streamlined using the Integrated Resolution Information System (IRIS)" could actually help banks in that regard.

A further main theme of the Work Programme is **resolvability testing**, which reflects the SRB's "strategic shift" from resolution planning to testing. In this regard, the SRB envisages for 2025:

- issue new guidance on resolvability self-assessment for banks;
- continue the development of the operational guidance for bank-led tests and will develop comprehensive multi-annual testing programmes spanning from 2026 to 2028;
- review methodology for resolvability assessment;
- start implementing the on-site inspection framework and gather lessons learnt and experience from the first on-site inspections.

Finally, some additional elements worth highlighting:

- The SRB announces that it wants to enhance its **capabilities for launching enforcement action** to remove substantive impediments. On this point, it would also be interesting to know more about where gaps in enforcement capabilities are and how severe they are. In general, progress on resolvability as reported in this document appears sound overall. That said, from a legislator's and from a scrutiny perspective it makes an **important difference** if enforcement problems are due to a **lack of legislative empowerment** or **missing internal capabilities** of the SRB.
- The SRB will also review the **investment strategy for the Single Resolution Fund and prepare the annual investment plan** for the following year. In this context, it plans to "further explore" opportunities on **green investments** and the potential of incorporating sustainability principles into the core business of the SRB.
- The SRB's Work Programme rightly highlights that "recent crisis" -we understand, referring to failures such as Credit Suisse and Silicon Valley Bank - **proved the need for flexible approach to resolution planning**. The SRB concludes that it should not be dependent on a single resolution tool but **prepare for the application of tools in combination**. Therefore, the SRB is planning to review the current policies on **separability** (i.e. creating preconditions in good times for being able to separate business lines from a failing bank), the use of sale of business, bridge institution and asset separation tools. It notes that elements are already developed and applied but that further improvements are necessary.

New bail-in templates for banks

In November, the SRB has published new bail-in templates for banks. The template allows the SRB to **gather data about banks' liability structures on an ongoing basis**. The data collected is meant to **facilitate the**

execution of a bail-in decision should a bank fail, and for use in testing exercises in good times. Bail-in is a resolution tool and allows to write-down or convert banks' liabilities in order to absorb losses in resolution and recapitalise the bank or to facilitate its restructuring or sales of business. The "template" is in fact a package of document, consisting of a template to be regularly filled with data by each bank, a guidance document, a technical annex with instructions and a set of validation rules to ensure data quality.

The new template **replaces earlier requirements** from 2020, which were updated in 2022. Banks have now 12 to 18 months to implement the new requirements. The SRB conducted a public consultation on the documents between 13 March 2024 and 15 May 2024, and has published a feedback statement on how comments received were addressed. From the feedback statement, it seems to us that in general terms, the **banks seem to appreciate the new template** as an improvement over the existing reporting requirements. That said, banks also called for some simplifications in the consultation that the SRB felt it could not grant, providing its reasoning in each case. Banks also called for avoiding changes in the future; the SRB confirmed that that was the intention, while not precluding the need of "further refinements" - in any case should legislation change in the future.

Gauging the impact of the CMDI reform

Our briefing for the December 2023 hearing reviewed an **impact study of the CMDI reform by the SRB**. At the time, this study was done at the request of the EU Council and presented to a Council Working Group and at a public event. Since then, as we discuss in this thematic briefing in detail, Parliament and Council have adopted their negotiating positions and trilogues will begin soon in December. In particular the Council's general approach presents a notable departure from the Commission's proposal and triggered a strong reaction from the Commission.

Against this background, **it would be useful if the SRB could revisit its impact study of one year ago** and publish analysis that deepens the understanding of the policy differences at stake. In a recent article, the SRB chair noted that **both Council and Parliament make the CMDI review "now seems less ambitious"**. That said, he also singles out the Council's text and the "19 new safeguards" as a particular constraint for a successful resolution. He calls on the legislator to make sure "whatever compromise" delivers in terms of funding available for a resolution decision since otherwise **"liquidation and bailouts may become the only option"**. This observation is interesting in that *a priori*, liquidation and bailout already constitute rather distinct possible outcomes. A possible interpretation is that he wanted to hint at a potential repeat in future crisis of what happened to the Veneto banks where the SRB denied the need for resolution. This was followed by a process called "orderly liquidation" at national level, which resulted in a transaction similar to a sale of business in resolution, using funding from the national level to protect ("bail out") creditors more broadly than would probably have been the case under the EU-harmonised resolution regime.

If this interpretation is correct, the SRB chair seems to imply that the SRB might have no "option" but leaving future bank crisis for national authorities to handle. However, on the one hand, the *existing* CMDI legislation **does not envisage an "option" to resort to national solutions** when public interest in resolution exists. On the other hand, the framework does not absolutely preclude using national public financial means in resolution and it also allows under certain conditions to exempt liabilities from carrying losses ("bail-in"). A public presentation on the impact of the CMDI reform by the SRB could present a suitable opportunity to **evaluate the scenarios the SRB chair has in mind and to reflect on the possible "options" for action in these cases**. For background, in the SRB pointed out in its half-yearly reporting to the Eurogroup that some of the **proposed caps to the DGS contribution** would substantially limit their availability in a crisis. Moreover it argues that having **additional conditionality within the SRMR compared to the BRRD** constrains the Banking Union crisis toolkit.

Ten years of Banking Union case law

In June 2024, the ECON Committee asked its members of the Banking Union expert panel to reflect about the experience of 10 years of Banking Union case law. The six papers received cover both legal challenges to the SSM and the SRB; in this section, we would like to briefly reflect on the authors' **observations that concern the SRB and the legal framework for bank resolution.**[4]

A common theme of the papers is the "limited standard of review" that the EU Court (CJEU) applies. The authors find that the Court **tends to reject legal challenges to decisions by the SRB and the Commission**, deferring to the SRB's technical expertise and the authorities' discretion. Plaintiffs would accordingly have to demonstrate a "manifest error" in law in the authorities' decisions, which is a high hurdle. The authors somewhat differ in their opinions, some pointing out that the Court's approach is legally proper and **strengthens the Banking Union's authorities**, while others point out that other EU Institutions, such as the Parliament, will have to implement **robust scrutiny to address a possible lack of accountability** that arises from the limited approach by the Court. A further aspect that the authors consistently picked up is the relationship between the SRB, as an agency, and the EU Institutions. While the EU Court had accepted ESMA taking decisions of rather far-reaching scope in the Shortselling case, it confirmed the legislators' view expressed in the SRMR that **resolution decisions determine "EU policy" and remain the prerogative of the EU Institutions**. Please note also our briefing on the SRB's discretion and accountability that elaborates on the **room for discretion left in the CMDI framework and the agreed decision making mechanisms**.

The paper by CEPS (Judith ARNAL, Costanza RUSSO and Apostolos THOMADAKIS) concludes that **jurisprudence has enhanced transparency and predictability** of the resolution process, clarified the **division of powers** among EU entities involved in resolution (SRB, national authorities, Commission and Council) and incorporated the resolution perspective in the debate on the evaluation and hierarchy of EU **fundamental rights** and principles. The authors observe that the EU Court's limited standard of review in resolution decisions risks affecting the effectiveness of legal redress. They find that this **necessitates that other EU institutions enhance their scrutiny on the SRB** through robust accountability mechanisms.

Concetta BRESCIA MORRA & Filippo ANNUNZIATA examine in their paper how the CJEU's decisions have refined the resolution process and addressed the delicate balance between EU Institutions and agencies. They observe, with respect to the evolving Meroni doctrine, that the **exercise of resolution powers under the SRMR falls within the scope of policy**, which can only be defined by the EU institutions and contrasts this with earlier findings regarding ESMA's powers in the Short selling case. The authors find that the court limits the SRB's discretionary powers, but at the same time seems to aim at **strengthening the centralisation of resolution at EU level**.

On the same aspect, the paper by Marco LAMANDINI, David RAMOS MUÑOZ emphasises that **European courts have dispelled doubts about the Single Resolution Mechanism (SRM) constitutional legitimacy**, both by balancing the tensions between national and supranational levels and the doctrines of delegation to (and accountability of) agencies. Moreover, the authors commend the Courts for delineating the substantive contours of crisis interventions and the applicable procedural safeguards. That said, they would like to draw the legislators' attention to three points: First, they see merit in **more harmonisation through directly applicable regulations** instead of directives. Second, given the EU Courts' limited standard of review (whether the decision entails "manifest error"), stakeholders may benefit from **legislative clarifications** in line with current court practice to provide legal certainty. Third, they recommend strengthening the independence and **streamlining the organisation of the administrative boards of**

[4] A general summary of the six papers is available here.:

appeal in order to generate economies, cementing their role as a first instance and as a useful filter of financial disputes.

Also the paper by Christos GORTSOS concludes that - given the Court's standard of review, the **outcome of any proportionality review is mostly marginal and rarely leads to the annulment of EU measures** in cases involving such assessments, unless a manifest error of assessment is proven. The author shows that this applies across the different cases with different outcomes, whether resolution decisions by the Commission, no resolution decisions by the SRB or "mixed" cases such as Sberbank are concerned. GORTSOS also draws attention to **important clarifications brought by the court** on (1) the non-binding nature of the ECB's assessment of failing or likely to fail, (2) the "public interest assessment" (PIA) made by the SRB, (3) the need for the resolution scheme to be endorsed by the Commission or the Council, (4) the role of the national resolution authorities to which SRB Decisions are addressed; and (5) the ex-post definitive valuation and the limitations on any compensation by application of the "no creditor worse off principle" (NCWO).

The paper by Christy Ann PETIT and Thorsten BECK put emphasis in the area of resolution **on the significant litigation that the SRMR provisions on Single Resolution Fund (SRF) ex-ante contributions have given rise to**. A number of decision were annulled on procedural grounds and substantive law aspects and unresolved issues are still to be clarified in pending cases. Like the other authors they also consider case law regarding the respective competences of SRB and Commission and speak of **"reviv[ing] the Meroni doctrine"** when the Court determined that the Commission, not the SRB, is the entity responsible for the resolution decision. Finally the authors find that the effects on legal rights and effective judicial protection resulting from internal administrative reviews through Boards of Appeal provided still need to take shape.

Consistent with the "standard of review" observations of the other authors, the paper by Bart JOOSEN Juana PULGAR EZQUERRA Tobias H. TRÖGER find that the pro-centralisation stance of the CJEU contributes to a functioning framework, yet respects where the legislator consciously seeks to take national specificities into account. Generally, they find that the **CJEU rarely annuls or modifies acts of the ECB and SRB** and often defers to their exercise of discretion. They recognise a risk that such deference **may reduce the accountability and transparency** of these authorities' actions. A concern of theirs is that the **CJEU sometimes overreaches** and neglects opposing public interests, such as that in institutional accountability within the CMDI framework.

Are current scrutiny arrangements adequate?

In June 2024, the ECON Committee asked its members of the Banking Union expert panel to reflect about the **experience of 10 years of parliamentary scrutiny** over the Banking Union authorities and to assess if the current transparency and accountability mechanisms are still adequate for the new legislative term. On this question, three contributions have been received which however mostly focus on the SSM. For the purposes of this briefing, we would like to present the observations of the authors that are either specific to the SRB or of general nature also relevant to the SRB (*as general background for the three papers, see also our briefing on the SRB's accountability arrangements*).[5]

The common thread of the three papers is probably that a **strengthening of scrutiny and accountability is considered desirable**. Considering the conclusions of the papers in more detail, such strengthening might result from **enhanced transparency** by the SRB and also some more **specialised arrangements** for scrutiny work on the side of the EP.

[5] A general summary of the three papers is available here.

The paper by Jakob DE HAAN refers exclusively to the transparency and accountability of the ECB/SSM. That said, his conclusions are *mutatis mutandis*, also relevant for the SRB. He argues that the mandate of the SSM, is too imprecise to function as a quantifiable yardstick to evaluate performance. He finds therefore that the **accountability mechanism should focus on policy processes and underlying analyses and motivations** instead of on results. We believe this also holds for the SRB. Furthermore, the author finds **transparency is indispensable for accountability**. He finds the SSM's transparency, while imperfect, impressive compared to national authorities pre-Banking Union. On this point, our instinctive view, without having seriously assessed this yet, would be that also the SRB also compares very favourably with national authorities prior to its creation, but that more and more useful information is available from the ECB/SSM than from the SRB. Finally, the author notes the **EP cannot impose formal sanctions** in case it concludes that the SSM failed and the EP cannot adjust legal requirements for the ECB/SSM since the ordinary legislative procedure is not applicable. The former certainly also holds for the SRB, while the resolution legislation is more accessible for change by the EP - subject to the well-known constraints like the absence of a right of initiative.

Rosa LASTRA and Sara DIETZ consider in their paper the accountability arrangements for both authorities, ECB/SSM and SRB. They consider the Banking Dialogue, as a term covering a range of activities analogous to the Monetary Dialogue, an important tool for the EP to scrutinise the actions of the authorities in the Banking Union. However, they do feel the **thoroughness of scrutiny could and should be enhanced** in order to ensure that decision and practices by supervisory authorities and authorities acting within banking resolution are truly challenged; yet, the authors stop short of giving concrete suggestions how.

The paper by Andrea RESTI analyses parliamentary scrutiny over the ECB/SSM. The conclusions might nevertheless also be pertinent for the SRB. First, the author finds that formal, public accountability mechanisms have come under criticism and recommends **increasing focus on informal interactions** where more detail can be discussed. Second, the author suggests a **stronger role of the Banking Union Working Group**, possibly with the help of the expert panel reviewing documents from the ECB, could help the Parliament to provider in depth feedback in shorter time. Third, the EP could **publicly assess the attitude of the chairperson towards accountability and transparency**, for instance in the Banking Union INI report halfway into her or his office, in order to incentivise good cooperation.

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