

Priority Topics

which may inspire academic research in the medium/long run

1. Preparation for resolution: resolution planning – impediments to resolution – MREL/TLAC

1.1 Resolution planning

1.2 Impediments to resolution: scope, coherence between individual institutions, treatment of retail holders

1.3 The upcoming MREL/TLAC framework

- The calibration of the MREL in the context of the implementation of BRRD2 (in particular the related criteria, the scenarios and the related uncertainty, the degree of discretion based on a case by case appreciation including additional bank-specific aspects which may lead to an (even) more tailor-made MREL)
- The quantitative assessment of the value of the risk premia in MREL issuances due to the complexity of the regulatory framework: a pricing model approach
- The more difficult access to public debt market for banks with business models that rely on deposit funding and the analysis of proportionality measures introduced by BRRD 2 (eg. with regard to subordination requirements)
- The impact of resolution strategies based on the Sale of Business or Bridge Institution tools on the MREL calibration
- A comparative approach (eg. EU/US/Japan/China) of the TLAC implementation and the related questions of regulatory arbitrage, based on the work conducted by the FSB

1.4 Moratorium tools and associated benefits and risks

1.5 Granular study of third-country recognition (e.g. on resolution planning, in terms of operationalisation of bail-in)

2. Early intervention measures – obstacles to apply them and potential solutions

3. Valuation: in particular EBA RTSs on valuation before and after resolution, EBA Valuation Handbook and SRB valuation framework and resolution process (due to independent valuers)

4. Continuity

- Critical functions
- Continued access to financial market infrastructures (FMIs) for entities ahead of and during resolution as a prerequisite for the continuity of critical functions and the role of the SRB and of the FMIs in this respect
- The concept of ‘operational continuity’ during the resolution phase
- Analysis of the UK mechanism of ‘capabilities’ appreciation’ through a system of quick data reporting

5. Aspects relating to resolution actions and resolution tools

5.1 Bank resolution and systemic risk

- The application of resolution measures in case of a systematic (as opposed to a purely idiosyncratic) crisis
- Bank securities and their counterparties, pro-cyclical effects of bail-in

5.2 The public interest criterion

- The public interest assessment by resolution authorities (PIA)
- The liability of EU and national resolution and supervisory authorities in the decision-making process: theory, legal bases and lessons from jurisprudence
- The relevance of the resolution plans

5.3 Intra-EU cross border resolution, in particular the case of holding companies

6. Institutional aspects

6.1 EU Single Rulebook on resolution: the role of the EBA and of the other EU institutions and bodies

6.2 Institutional aspects related to resolution in the Banking Union:

- Balance of powers between the SRB and the SSM
- The grey zone (e.g. in situations of precautionary recapitalisation)
- The responsibilities of the SSM in resolution planning and implementation
- The role of the EBA in resolution planning and implementation, in particular having regard to relationship between Banking Union and non-Banking Union Member States: resolution colleges oversight, mediation, etc.
- The exchange of information between supervisory and resolution authorities
- The cooperation between the SRB and national resolution authorities within the SRM
- The investigatory powers and the sanctions regime of the SRB
- The role of the Appeal Panel: lessons from the first years of its operation
- The transparency of the activities undertaken by the SRB

7. Liquidity risk and funding sources for banks in resolution – The role of the ECB, the ESM and national central banks regarding the provisioning of liquidity and the stabilisation after the resolution weekend