

Pillar 2 measures and their limits

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- Pillar 2 requirements are a decisive instrument to carry out effective supervision and to address risks.
- The legal framework provides supervisors with a broad range of Pillar 2 powers.
- The ECB made clear that it is willing to use those powers to drive banks to swift action where needed.
- The judicial review is strict with regard to the borders of discretion, but it is not for the Union courts to replace the exercise of a given discretion by their own – no “second guessing” of the exercise of discretion.