

To:  
Mr. Oliver Schuetz, Chair EBA Resolution  
Committee (ResCo)

Cc.:  
Mr. José Manuel Campa, Chair EBA

7 May 2025

**Dear Chair**

We welcome the ongoing discussions on simplifying the rulebook. This topic has also been raised by several EBA BoS members, underlining the shared recognition of the need for a more effective and focused regulatory framework.

We appreciate the significant efforts led by the EBA over the years to establish robust resolution regimes, adapt to evolving circumstances, and respond effectively to crisis, not least the financial turmoil in 2023. These initiatives have been instrumental in advancing the resolution planning and execution capabilities of resolution authorities across the EEA.

Over the years, the bank recovery and resolution regulatory framework (BRRD) has developed and adapted to new challenges. To be sure, the framework has improved resolution authorities' planning and execution capabilities as well as banks' resolvability and preparedness significantly. However, the strive for comprehensiveness and harmonisation has made the framework overly complex, detailed, and resource-intensive to manage. This is true for resolution authorities and industry alike.

This letter emphasizes the importance of making the Single Rulebook less complex and more adaptable to the demands of financial stability and operational efficiency. We as Resolution Authorities of Sweden, Norway, Iceland, Finland and Denmark, strongly support a simplified, risk-oriented rulebook. It would enable resolution authorities to allocate resources more effectively and focus on areas where attention is most needed. Most importantly, it would lead to more operational resolution plans, thereby enhancing resolution execution.

We recognize the need for harmonisation in the Single Market and the paramount role that the EBA have in ensuring this. It is important to recognize that increased regulatory detail alone does not guarantee a credible and executional resolution regime. The critical factor is equipping resolution authorities with the right tools and providing them the flexibility to exercise their powers effectively within a common framework. This is even more pertinent in crisis situations, which are bound to be both complex and contextual. In some cases, the high level of detail in the regulatory framework has the opposite effect in practice, as authorities have to allocate resources to other matters than those that are most critical for preparing for resolution.

Under the BRRD framework, Member States may adopt diverse approaches to implementing resolution regimes due to each country's unique historical context, legal tradition, and financial sector structure. These differences may influence how resolution authorities engage in operational resolution execution.

Looking ahead, it is thus essential to ensure that the EBA framework in preparing level 2 and 3 texts retains sufficient flexibility to address diverse needs. Such flexibility is critical for maintaining effective and well-functioning resolution regimes.

We call on the EBA to prioritize simplification when developing new guidelines and level 2 texts

for resolution planning and execution. Furthermore, it is crucial to allow policies to mature and develop at the national level and carefully consider whether detailed regulation is warranted or not.

Self-assessments by institutions have increased awareness of the importance of resolution preparedness. The next step should therefore focus on testing institution-specific areas rather than applying broad testing requirements. This approach will help address key obstacles and identify opportunities for improvement, leading to a more effective resolution process.

Additionally, we encourage EBA to focus on key areas such as securing liquidity after use of the bail-in tool. Incorporating lessons learned from recent financial turmoil in the US and Switzerland would further enhance these efforts, as well as assisting in sharing best practices when it comes to 'resolution-readiness,' including deploying transfer tools.

We find that a stocktake on the experiences with the resolution regimes so far might be useful in combination with more qualitative cost-benefit analyses before new level 2 and level 3 initiatives are taken. This will help ensuring that new regulation achieves stated objectives and has intended impact on and implications for, respectively, resolution authorities and industry. We take note of the Commission's priorities for 2024-2029, which states that the EU acquis should be stress-tested and that proposals should be made that simplifies and codifies legislation to eliminate overlaps and contradictions, while maintaining high standards.

We would, finally, like to underline that resolution authorities too need to urgently address elevated geopolitical risks such as cyber-attacks. This makes it even more important to use limited resources wisely and to give priority to the operationalisation of resolution tools and to further develop internal playbooks.

We are committed to collaborating on a regulatory system that is robust yet simpler, balancing financial stability, consumer protection and efficiency and well-functioning and integrated markets. We trust that the insights shared in this letter will be carefully considered as the new legislative cycle begins. We look forward to continued dialogue and partnership to advance these shared priorities.

Thank you for your attention to these matters. We welcome the opportunity to engage further and work collaboratively on our shared commitments to regulatory improvement and financial stability.

Sincerely,

Karsten Bilstoft, CEO of Financial Stability Company - Denmark

Louise Caroline Mogensen, Director General of the Danish Financial Supervisory Authority

Jaakko Weuro, Director General of the Finnish Financial Stability Authority

Ásgeir Jónsson, Governor of the Central Bank of Iceland

Per Mathis Kongsrud, Director General of the Norwegian Financial Supervisory Authority

Karolina Ekholm, Director General of the Swedish National Debt Office