

Overview

The following presents a carefully curated selection of our lawyers' recent Thought Leadership contributions on issues affecting Banking Union.

Background on Banking Union

In 2012, European leaders took the decision to deepen the Economic and Monetary Union i.e. the Eurozone by creating a European Banking Union with the purpose of 'breaking the vicious circle between banks and states' and addressing the weaknesses affecting the Eurozone's banking sector. Achieving this aim means that the pillars of the Banking Union seek to make European banking and supervised institutions (BUSIs) more:

- a. 'transparent' by consistently applying common rules and administrative standards for supervision, recovery and resolution of BUSIs through application of a Single Rulebook;
- b. 'unified' by treating national and cross-border banking activities and by removing the link between location of BUSI and sovereign; and
- c. 'safer within a stable and well-functioning financial system' by intervening early if BUSIs face problems in order to help them prevent failing or, where necessary, ensuring they undergo an efficient resolution.

Banking Union was set up in 2014 initially around two pillars (supervision and resolution) both of which operate on a "hub and spoke" approach with supervisory responsibility apportioned between a centralised body (ECB-SSM on supervision and SRB on resolution) and the relevant national competent authorities (NCAs).

Your Key Contacts

Europe



Michael Huertas

Partner, Frankfurt

D +49 69 45 00 12 330

michael.huertas@dentons.com