

ECB Proposals to Simplify EU Banking Rules: An Overview

Challenge Today	ECB Proposal	Why It Matters
Too many overlapping capital buffers	Simpler buffer structure with releasable and non-releasable components	Clearer capital requirements and better usability in stress
Complex leverage ratio framework	Streamlined leverage ratio with core elements	Easier compliance while preserving a strong backstop
Uncertainty around AT1 and Tier II instruments	Clearer and more consistent treatment of AT1 and Tier II issuances within the capital and resolution framework	Greater predictability for banks and investors, supporting market confidence
One-size-fits-all rules for banks	Expanded and simplified regime for smaller banks	Greater proportionality without increasing systemic risk
National macroprudential measures with gaps	Automatic reciprocation across borders	Level playing field and stronger financial stability
Fragmented resolution requirements	Better alignment of resolution frameworks	Consistency without weakening loss-absorbing capacity
Complex stress testing frameworks	Streamlined and more focused stress tests	More actionable and policy-relevant insights
Incomplete Banking Union, including deposit protection	Progress towards greater EU-level integration	Stronger financial integration and confidence across Member States
Divergent national implementation	Greater use of directly applicable EU regulations	Less fragmentation and more harmonization
Duplicate and burdensome reporting	Single integrated reporting framework	Lower costs and higher data quality

Keep Up With Regulatory Change

ECB proposals will evolve into guidance, legislation, and supervisory practice. Subscribe to our newsletter for ongoing updates and expert insight as EU banking regulation takes shape.

Subscribe to Mirai's Insights

