

PRESS RELEASE

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ECB publishes consolidated Guide to assessments of licence applications

- Guide now includes Part 2, with focus on capital requirements and programme of operations, including business plans, following public consultation
- Guide to enhance transparency and understanding of ECB procedure and criteria for assessment of licence applications

The European Central Bank (ECB) has today published a consolidated version of the Guide to assessments of license applications. This text, which is not legally binding, combines the content of the first guide published in March 2018 and that of Part 2, the public consultation for which ended on 25 October 2018. The consolidated guide is intended as a practical tool to support those involved in the process of authorisation and to ensure a smooth and effective procedure and assessment.

When granting authorisations to banks, the ECB acts as a gatekeeper to ensure that only robust banks can enter the market. The consolidated guide promotes a level playing field throughout the euro area and reduces the risk that entities will circumvent banking regulation and supervision. It also promotes awareness and enhances the transparency of the assessment criteria and processes for establishing a credit institution in the euro area. These criteria include the applicant banks' capital levels, their programme of operations, the structural organisation and the suitability of their managers and relevant shareholders. No particular business model for banks is advocated.

The text applies to all licence applications to become a credit institution within the meaning of the Capital Requirements Regulation (CRR), including, but not limited to, initial authorisations for credit institutions, applications from fintech companies, authorisations in the context of mergers or acquisitions, bridge bank applications and licence extensions. The guide will be updated regularly to reflect new developments and experience gained in practice.

The revised guide is available on the ECB's banking supervision website. As the ECB received no comments during the public consultation of Part 2, no feedback statement has been published.

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