



**TOPICS:**

Banking System and Supervision

**SOURCE:**

European Central Bank

## ECB Streamlines Supervisory Guidance to Improve Clarity and Transparency

- The ECB announces a **comprehensive review of its banking supervision publications** as part of a broader reform to make European banking supervision more efficient, effective, transparent and risk-based. The initiative aims **to simplify supervisory guidance, improve consistency** across publications and **clarify the role of different supervisory tools**.
- The review covers approximately **130 supervisory guides, reports, methodologies and letters**. Around **40 publications** have been identified as outdated, superseded or no longer relevant and will be discontinued, although they will remain publicly available for transparency and archival purposes. The ECB also updated the classification of its supervisory publications to reinforce that these documents are **non-binding** and do not create legal obligations beyond EU or national legislation.
- Several key guidance documents are being revised to reflect regulatory developments and provide greater clarity. Planned updates include the **Guide to the Internal Capital Adequacy Assessment Process - ICAAP**

(the revised guide will be published shortly), clarifying the role of the management buffer; references to the credit valuation adjustment have been removed in the **Guide on assessment methodology** and the **Guide on materiality assessment** in order to reflect new rules under the Capital Requirements Regulation (CRR III); the **Guide on Effective Risk Data Aggregation and Risk Reporting** (the revised guide is expected to be published in the fourth quarter of 2026); the **Guide to On-site Inspections and Internal Model Investigations** (the revised text expected by end-2026); and the **Guidance on Leveraged Transactions** (the assessment to be finalised by end-2026). The ECB also **removed guidance on the credit conversion factor** pending new EBA guidelines **and, consequently, updated Guide on Internal Models (EGIM)**. The draft guide on **governance and risk culture will be replaced by a report focused exclusively on good practices** (the publication is planned for the first quarter of 2027).

