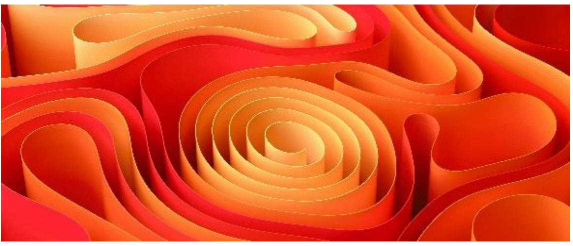
Regulatory/Supervisory Pills | N.14 February 2026



TOPICS:

Banking System

SOURCE:

European Central Bank

ECB Launches Fast-Track Assessments for Capital and Securitisation

- The ECB has introduced **two new fast-track processes** aimed at accelerating supervisory assessments related to capital reductions and securitisation transactions by banks. Starting January 2026, the ECB will shorten approval times for eligible applications from up to three months to two weeks, thereby streamlining routine procedures and allowing supervisory focus to shift toward complex assessments.
- Under the **Capital Fast-Track**, banks seeking to repurchase shares or other capital instruments - actions that diminish their capital base - must still meet regulatory requirements. However, **simplified processing** is now available under specific conditions: 1) For non-share instruments, the impact on the capital ratio must remain below 100 basis points, with continued capital adequacy expected over the following three years; 2) Share buybacks require the bank to be rated medium or low risk in its capital adequacy review, maintain sufficient profit retention, and demonstrate resilience under stress scenarios. The ECB will also expedite **preliminary assessments** by immediately indicating whether applications are complete and eligible for fast-tracking, while reserving the right to request further information.
- The **Securitisation Fast-Track** targets standardised significant risk transfer (SRT) transactions. Eligibility criteria include: 1) Performing and diversified portfolios; 2) Less than 20% exposure to leveraged loans; 3) Use of standard early termination clauses; 4) A capital impact of under 25 basis points. To mitigate prudential risks, the ECB will **continue to monitor banks' reliance** on SRT-related capital relief and stress testing practices, particularly where synthetic securitisations could pose elevated rollover risks. The use of detailed data from the fast-track process will also support enhanced micro- and macroprudential oversight.