**Follow-up to the European Parliament non-legislative resolution on safeguarding and promoting financial stability amid economic uncertainties**

1. **Rapporteur:** Johan VAN OVERTVELDT (ECR / BE)
2. **References**: 2025/2051(INI) / A10-0232/2025 / P10_TA(2026)0004
3. **Date of adoption of the resolution**: 20 January 2026
4. **Competent Parliamentary Committee:** Committee on Economic and Monetary Affairs (ECON)
5. **Brief analysis/ assessment of the resolution and requests made in it:**

The resolution positions financial stability as a precondition for competitiveness and growth, within a context of geopolitical fragmentation, high leverage, market concentration and growing non-bank intermediation. Against this backdrop, the resolution addresses a number of requests to the Commission.

1. **On Banking Union and Capital Markets Union (as part of the Savings and Investment Union),** the report calls:
   - on the Commission to prioritise a Capital Markets Union (CMU) agenda that supports EU competitiveness while not hampering financial stability **(para 2).**
   - it emphasises the CMU's goal to mobilise private capital more effectively and to correct structural imbalances in the EU financial system. It recognises that the completion of the Banking Union must be a strategic priority in the deepening of the Economic and Monetary Union **(para 3, 4)**. It also suggests the need to weigh the benefits of a single market and the economies of scale stemming from cross-border banking consolidation with 'too big to fail' risks and the potential weakening of smaller financial centres **(para 6)**.

2. **On bank regulation,** the report calls for:
   - **The full implementation of the Basel III framework** to enhance the resilience and global competitiveness of EU banks, underlining that financial stability itself can be seen as a competitive advantage **(para 20).**
   - **A sound macroprudential framework** while ensuring **simplification and harmonisation** in the design of macroprudential buffers and more consistency regarding their application by Member States, while systematically applying the principles of proportionality, cost-efficiency and digital simplification where possible and without jeopardising financial stability **(para 21).**

3. **On [Non-Bank Financial Intermediaries (NBFIs)] (NBFIs)**, the report calls for:
   - A thorough **review of regulatory gaps**, including in less regulated areas such as family offices and supply chain finance companies **(para 26).**
   - Tools to better capture the **scale and speed of liquidity outflows from margin calls** during systemic events, especially for energy utilities and NBFIs **(para 29).**
   - Greater transparency and macroprudential oversight in **margining practices, including stress testing and scenario analysis**, drawing on FSB's recent work on the topic **(para 31).**
   - A holistic, more coherent **system-wide and activity-based supervisory approach**, including a coherent supervision by ESMA for systemic cross-border NBFIs. It stresses the need for **enhanced data availability, analytics and data-sharing** between national and EU authorities, to support a more comprehensive risk monitoring framework and system-wide stress-testing capabilities **(para 39, 41, 45).**
   - Stronger international cooperation (International Monetary Fund (IMF), Bank of International Settlements (BIS), Basel Committee, Financial Stability Board (FSB) to address cross-border risks **(para 46).**

**The report also calls on the Commission to act on specific files and areas:**

4. **On Money Market Funds,** the report calls for a **reform of the Money Market Funds Regulation** in line with international standards, regulatory progress made in other jurisdictions and the recommendations of the European Systemic Risk Board (ESRB) and European Securities and Markets Authority (ESMA) **(para 27).**

5. **On Markets in Crypto-Assets Regulation (MiCAR) and stablecoins,** the report stresses the importance of the timely and consistent implementation of the EU prudential framework for crypto-assets and calls on the Commission to monitor remaining regulatory gaps **(para 34).** The report also expresses its concern regarding **growing interlinkages between crypto-assets and decentralised finance markets and the traditional financial system**; notes the largely speculative nature of crypto-assets and their important role in illicit transactions and urges the Commission to assess whether there are potential channels of contagion, as in the case of multi-issuance **(para 32, 33, 35).**

6. **On ICT interdependencies and Digital Operational Resilience Act (DORA),** the report encourages innovation in the field of digital finance and extensive investment in cyber-resilience to protect financial infrastructure against external threats. It also calls on the Commission and the ECB to map and address dependencies of the European financial system on non-EU digital

service providers, single points of failure and the risk of hybrid attacks **(para 36).**

7. **On enforcement of fiscal rules,** the report specifically calls on the Commission to enforce compliance with the EU's economic governance framework and ensure convergence with the fiscal rules of the **Stability and Growth Pact** to maintain sustainable public finance **(para 14, 15).**

8. **On sovereign debt risk,** the report focuses on sovereign debt risks and recalls the drivers of the 2008 financial crisis and the euro area crisis, namely sovereign debt sustainability and inadequate banking regulatory framework. **(para 13)** The report takes note of calls to mitigate systemic vulnerabilities but stresses that any future developments should not undermine national fiscal responsibilities. **(para 14).**

9. **On bank resolution,** the report emphasises the importance of a robust and credible crisis management framework; highlights the role of the Single Resolution Mechanism (SRM) in ensuring the effective resolution of failing institutions and supports the European Central Bank's function as lender of last resort to safeguard liquidity and trust during crises; notes that a backstop for the Single Resolution Fund (SRF) is still missing; **(para 40).**

10. **On margin preparedness and** central counterparties **(CCPs),** the report emphasises the need for robust collateral frameworks and coordinated supervision of CCPs, specifically noting concerns regarding **European dependence on non-EU CCPs. It calls** for tools to better capture the scale and speed of liquidity outflows resulting from margin calls during systemic events, **especially for energy utilities and NBFIs. (para 29, 30).**

11. **On securitisation,** the report notes the ongoing debate on the securitisation package and suggests that simplification of post-2008 reforms should go hand in hand with clear benefits to the real economy **(para 22).**

12. **On vulnerabilities in commercial real estate and the role of NBFI**, the report calls for the ESRB to closely monitor the role of NBFIs active in real estate markets and issue relevant recommendations; recognises, in addition, the high levels of household indebtedness; **(para 23).**

## 6. Response to requests and overview of actions taken, or intended to be taken, by the Commission:

**Savings and Investments Union, including the Banking Union and Capital Markets Union (point 1 above)**

- The Commission welcomes the call for completing the Single Market as a way to foster a more competitive financial sector and economy as well as to strengthen its financial stability through private risk sharing.
- In line with the Savings and Investments Union (SIU) strategy, in 2025 the Commission adopted ambitious proposals to improve the way the EU financial system channels savings to productive investments and to complete the Single Market for financial services (package on Market Integration and Supervision – MISP). Progress on these proposals is now in the hands of the co-legislators. In 2026, the Commission will continue to deliver on its priorities in the SIU strategy, including with the adoption of measures promoting EU venture and growth capital funds.
- Regarding the Banking Union deliverables of the SIU, see points below on banking regulation and bank resolution.

**Banking regulation (point 2 above)**

- Increasing cross-border integration and facilitating cross-border provision of banking services is key to EU banks' scale-up and to encourage competition among them to the benefit of citizens and companies. Scale is needed to be competitive as banking is a business with increasing returns to scale.
- The fragmentation of the Single Market impairs the ability of the banking sector to support citizens and businesses, but also the financing of EU priorities in critical areas.
- As announced in the SIU strategy, later this year, the Commission will publish a comprehensive report assessing the **competitiveness within the Single Market in banking**. It will focus on how to increase the competitiveness of the EU banking sector, advance the Banking Union and address undue complexity in the regulatory framework.
- The Commission has **launched a targeted public consultation (closed on 19 April 2026)** to gather feedback and evidence on the competitiveness of the EU banking sector and on how to make our framework more efficient, less complex, and better designed to enhance the competitiveness of the banking sector and its contribution to the EU economy. This includes gathering feedback on how to simplify and tackle undue complexities in the regulatory framework for banks, and unintended overlaps across the microprudential, macroprudential and resolution frameworks.

- Having implemented the major part of the Basel III standards from 1 January 2025, with the exception of the new market risk prudential framework, in 2026, the Commission will be making use of the powers granted to it by the co-legislators to ensure an international level playing field in relation to the market risk capital requirements.

**Non-Bank Financial Intermediation - NBFI (point 3 above)**

- The report warns about the difficulty to identify financial stability threats in today’s complex financial markets, where activities of banks and non-banks are increasingly interconnected and systemic liquidity and leverage risks remain high.
- As announced in the Market Integration and Supervision Package (MISP)Communication on the further development of capital market integration and supervision within the Union, the Commission is considering targeted actions for 2026 to strengthen macroprudential oversight and enhance the EU financial system’s resilience.
- The Commission is also exploring the feasibility of more effective and well-coordinated tools for macroprudential authorities to address systemic risk threats and spillover risks across the EU, as well as lead to more regulatory and supervisory convergence and to better data sharing.

The report also calls for the Commission to act in specific areas:

**Money Market Funds (MMFs) reforms (point 4 above)**

- The Commission duly notes the recommendations by EU and international authorities and undertook further analyses showing that most MMFs in the EU already maintain levels of liquidity buffers above regulatory minimum.
- The Commission is exploring ways to ensure that these higher liquidity buffers are maintained by all MMFs in regular market conditions. Other measures to address liquidity concerns are also being implemented as part of the recent review of the Undertakings for Collective Investment in Transferable Securities and Alternative Investment Fund Managers Directives.

**MiCAR and stablecoins (point 5 above)**

- The Commission believes that the Markets in Crypto Assets Regulation strikes the right balance between supporting innovation and mitigating risks when it comes to stablecoins. At the same time, the Commission continues to closely monitor market and policy developments in other key jurisdictions.
- The Commission services are closely working with European Supervisory Authorities and National Competent Authorities to

ensure a consistent application of the Regulation by Member States, among other, by providing guidance and monitoring that national implementing laws are not in contrast with the legislative text.

- As part of the MISP package, the Commission proposes to increase ESMA's role in the supervision of crypto asset service providers ('CASPs') with the aim to address supervisory fragmentation, enhance financial stability, and ensure consistent implementation of EU rules.
- Finally, the Commission is planning a holistic consultation later this year to gather views on the ongoing MiCAR implementation and activities outside of its scope, such as on decentralised finance.

**ICT interdependencies and DORA (point 6 above)**

- On the need to address dependencies of the European financial system on non-EU digital service providers, progress has been made with the implementation of the Digital Operational Resilience Act (DORA), which introduced requirements for financial entities to map critical ICT dependencies. It also established an EU-level Oversight Framework for critical ICT third-party service providers, which oversees dependencies on non-EU providers. An important milestone was reached in November 2025 when the European Supervisory Authorities published a list of such providers.

**Enforcement of fiscal rules (point 7 above)**

- The Commission enforces compliance with the EU's economic governance framework and convergence with the fiscal rules of the Stability and Growth Pact as part of its EU fiscal surveillance process and is committed to continue doing so in the future. Ensuring sound and sustainable public finances is one of the main objectives of the reformed EU economic governance framework which entered into force in 2024. The Commission shares the Parliament's view that this objective is essential for preserving financial stability in a context of heightened economic uncertainty.
- The Commission has applied the reformed EU fiscal rules to all Member States when assessing their medium-term fiscal-structural plans and these rules are proving fit-for-purpose overall by establishing the medium-term budgetary constraint for each Member State. This followed a thorough technical dialogue and a common framework conducive to differentiation according to the specific debt sustainability challenges of each Member State. The Commission has fully complied with all its obligations under Regulation (EU) 2024/1263 (the preventive arm of the Stability

and Growth Pact). Moreover, when necessary, the Commission has recommended that a Member State enter into the corrective arm of the Stability and Growth Pact and has fully complied with its role and obligations under Regulation 1467/1997 (the corrective arm of the Stability and Growth Pact).

**Sovereign debt risk (point 8 above)**

- The European Commission acknowledges the risks associated with high sovereign debt and deficits, which remain an area of focus. We would like to emphasise the fact that, while in the EU the general government debt-to-GDP ratio increased from 65.1% in 2008 to 86.9% in 2014, since then, the ratio has been on a downward trend, with the exception of the COVID-19 pandemic period. In 2024, the ratio was at 80.7% of GDP, i.e., below the peak in 2014. Of course, the current economic and geopolitical environment continues exerting pressure on public finances.
- The Commission would like to note that after the great financial crisis, the EU fiscal oversight was strengthened and reformed to support debt sustainability. In parallel, the euro area sovereign crisis-management architecture was reinforced, including through the establishment of the European Stability Mechanism. Additionally, the EU has substantially overhauled the banking regulatory framework to ensure the financial system is more resilient to future shocks. The implementation of the Single Supervisory Mechanism and the Single Resolution Mechanism represent another pillar designed to prevent and manage more effectively banking crises. The stress tests performed by the European Banking Authority demonstrated the resilience of the banking sector, even under an extreme scenario. These reforms, together with further progress on the Banking Union and the Savings and Investments Union, will contribute to further addressing sovereign-bank linkages by strengthening bank resilience, improving crisis management, and supporting more diversified financing channels.

**Bank resolution (point 9 above)**

- The Commission agrees with the importance of having a robust and credible crisis management and deposit insurance (CMDI) framework. The 2025 agreed reform of the framework, which includes amendments to the Single Resolution Mechanism to make it more effective, is expected to strengthen EU bank crisis management by focusing on more effective resolution for small and medium-sized banks. It is expected to reduce use of public funds for interventions in banks, maintain financial stability, and better protect depositors.

- As part of the SIU deliverables, the Commission will identify a way forward on a European Deposit Insurance System, building on the CMDI review and taking national specificities into account.
- The Commission continues to regard the ratification of the amended ESM Treaty as an important step to allow for the operationalisation of the backstop by the ESM to the Single Resolution Fund. This would enhance the robustness and credibility of the Banking Union crisis management architecture and improve the euro area's resilience to financial crises.

**On Margin preparedness and CCPs supervision (point 10 above)**

- The Commission agrees with the need for robust collateral frameworks and coordinated supervision of central counterparties. European Market Infrastructure Regulation (EMIR), as amended by EMIR 3, pursues the overarching objective of ensuring safe, resilient and well-functioning clearing infrastructures, including through robust risk management and collateral frameworks, in order to safeguard financial stability. Within this framework, EMIR 3 addresses several of the concerns raised by strengthening both systemic risk monitoring and supervisory coordination. In particular, it establishes the Joint Monitoring Mechanism (JMM) as a forum for enhanced cooperation and information exchange among authorities to monitor risks related to derivatives markets and central clearing, including risks arising from margining practices and market stress. EMIR 3 also significantly reinforces the role of ESMA in CCP supervision, notably by making ESMA a co-chair of CCP colleges and by expanding its access to supervisory information, supporting more consistent and effective oversight of CCPs.
- Building on these measures, the recently adopted market integration package proposal under the SIU further advances supervisory integration by envisaging more centralised oversight, including granting ESMA powers to act as the sole competent authority for significant CCPs.
- To address concerns regarding the EU's dependence on non-EU, in particular UK-based, CCPs, EMIR 3 also introduces the active account requirement, aimed at fostering clearing capacity within the Union and reducing excessive external reliance. It is important to note that the measures introduced in EMIR 3 are still in the process of being operationalised.

**Securitisation (point 11 above)**

- The review of the securitisation framework responds to significant EU investment needs and a political mandate to strengthen the financing of the real economy. It recognises the importance of securitisation as a supportive—though not on its own a silver bullet—tool that facilitates financing for the real economy.

- The June 2025 securitisation package has been broadly welcomed, reflecting recognition that parts of the current framework are overly restrictive and hinder market development. The proposal strikes a careful balance, focusing on measures with the greatest potential impact on the EU market, while acknowledging the legacy of the Global Financial Crisis and preserving the key safeguards for financial stability embedded in the securitisation framework. The Council obtained a Coreper negotiating mandate in December 2025.

**Commercial real estate and NBFI (point 12 above)**

- The Commission acknowledges that there may be vulnerabilities that demand close macroprudential monitoring, notably on the role of NBFIs active in real estate markets in light of past market stress events. The Commission monitors developments in the real estate sector as part of the procedures to assess macroeconomic imbalances. Moreover, the ESRB has also been monitoring the Commercial Real Estate (CRE) sector since 2015 and published reports on vulnerabilities in the EEA CRE sector. The ESRB also issued a recommendation in January 2023 that identifies CRE-related systemic risks and specifies the remedial actions to be taken in response to those systemic risks. One of the identified vulnerabilities for the non-banking sector is liquidity mismatches in open-ended real estate investment funds. Real estate investment funds generally are at risk of an asset price correction if the frequency of valuation is too low. This requires appropriate tools to manage liquidity and redemption requests. While acknowledging that capital and borrower-based measures and other macroprudential measures are already available to EEA countries, the ESRB also recommends national authorities to consider reciprocating macroprudential measures in different EEA countries to ensure the effectiveness of national macroprudential measures and prevent the shifting of systemic risk from one jurisdiction to another.