

EBCI

# Vienna Initiative



## **Vienna 2 Initiative holds workshop on cross-border bank supervision and resolution in emerging Europe**

The Steering Committee of the Vienna 2 Initiative\* organized a high-level workshop on the topic of bank supervision, resolution and banking union with particular regard to emerging Europe in London on 12 September 2012.

The workshop discussed supervisory cooperation between home and host supervisors and resolution procedures during normal times and periods of crisis. Resolution issues relating to the banking union framework were also discussed.

Held on the same day as the European Commission's release of its proposals for the European single supervisory mechanism - as a first element of the banking union - the workshop had a preliminary discussion on the implications of these proposals for emerging Europe. Since the European Commission proposals are focused on supervisory arrangements, the need for consistent progress to resolution and deposit guarantees was highlighted. There was also a discussion of the implications for emerging Europe of options for the banking union.

Participants in the meeting included senior policy-makers from central banks, supervisory authorities and ministries of finance from home and host countries, representatives of major cross-border banks, European institutions, as well as international financial institutions.

The Vienna 2 Initiative plans to present reports on bank supervision, bank resolution and banking union as they affect emerging Europe to various European Union policy-making fora in the near future.

### **\* BACKGROUND ON THE VIENNA INITIATIVE**

The Vienna Initiative was established at the height of the global financial crisis of 2008/09 as a private-public sector platform to secure adequate capital and liquidity support by Western banking groups for their affiliates in CESEE. The initiative was re-launched as "Vienna 2" in January 2012 in response to renewed risks for the region from the eurozone crisis. Its focus is now on fostering home and host authority coordination in support of stable cross-border banking and guarding against disorderly deleveraging. Western banking groups continue to play an important role in the Initiative, both by supporting the coordination efforts and doing their own part to avoid disorderly deleveraging.