

ECB Banking Supervision Market Contact Group

Terms of Reference

1. Purpose

The ECB Banking Supervision Market Contact Group (BSMCG) serves as a senior-level forum to discuss issues relevant for banking supervision from a market perspective, fostering dialogue between ECB Banking Supervision and market analysts, investors and other stakeholders in markets relevant for banks. The group discusses developments in the banking sector from a system-wide perspective, including structural and regulatory trends and the impact of ECB supervision. It thus gathers market intelligence and thereby contributes to the ECB's analysis of the banking sector while offering a dedicated channel for communication with market stakeholders in the banking sector.

2. Governance and membership

The BSMCG is established under a framework comparable to that of other fora that bring together the ECB and various stakeholder groups. It is composed of 10-15 private sector participants with a broad knowledge of the banking sector and who are in the position to speak for their respective institutions. These individuals are chosen by ECB Banking Supervision on the basis of an expression of interest giving details of the institution they represent, their position within that institution, their interest in joining the BSMCG and their prospective contribution to the group. ECB Banking Supervision aims for a balanced composition of the group, seeking to involve a wide range of institutions and banking market stakeholders and envisaging a rotation in membership over time. Expressions of interest to join the group are thus sought from investors (hedge funds, private equity firms, mutual funds, asset management companies, insurers and pension funds), market analysts and representatives of consultancies, rating agencies and financial institutions' research departments. Non-member experts may occasionally be invited to discuss specific issues. ECB Banking Supervision also strives to achieve a balance in terms of the gender of the group's participants.

Members are invited to present not only the perspective of their individual institutions but also the market as a whole and to use their knowledge and expertise to contribute actively to discussions. Any change in a member's position within his or her institution will result in a review of membership; the seat cannot be automatically passed on to a replacement from the institution. Interested parties should complete an expression of interest form to join the BSMCG and submit this to the BSMCG Secretariat.

Membership and appointment terms are assessed by ECB Banking Supervision. To ensure equal treatment and broad representation under the rotation scheme envisaged, membership is subject to an annual review.

The assessment by ECB Banking Supervision to this end is based on factors such as regular attendance, contribution to the group and active participation in discussions, as well as on the role of the represented institution and the member in their respective market segment. ECB Banking Supervision reserves the right to decide on changes in membership of the group at any time.

The BSMCG is headed by the Chair of the ECB's Supervisory Board, with other ECB representatives of the Supervisory Board and staff from ECB Banking Supervision also participating in the meetings. The representatives of national supervisors on the Steering Committee of the ECB Supervisory Board may attend the meetings as observers. ECB Banking Supervision provides the Secretariat, proposes the agenda and participates in the discussions.

Members are expected to attend all regularly scheduled meetings in person. If unable to attend they should contact the Secretariat. Each participating entity nominates an alternate who can participate in the exceptional absence of the member, subject to ECB Banking Supervision approval.

3. Procedures

The BSMCG usually meets twice a year for a two to three-hour meeting, either at the ECB or held as a digital meeting.

The meetings can be set up at any time and follow an agenda which is circulated to the members in advance. The agenda is decided by the Chair following a proposal by the Secretariat. Members are encouraged to propose topics for inclusion in the agenda.

Confidential, commercially sensitive information, including information relating to represented institutions or the ECB, is not discussed at the meetings.

Meeting agendas, a list of the participants, and high-level summaries of the BSMCG's discussions, without specific attribution of individual positions taken, are published on the ECB's website. The high-level summaries are circulated to participants and any comments received are addressed prior to publication.

4. Antitrust and confidentiality guidelines

- a. Participants refrain from behaviour that may result in or give the impression of collusion or market manipulation.
- b. A published summary serves as public record of the meeting. Participants refrain from disclosing additional details of the meeting to third parties.