

9 August 2024

European Commission: Targeted Consultation Assessing the Adequacy of Macroprudential Policies for Non-Bank Financial Intermediation (NBFi)

Background

The Authority would like to draw your attention to the [Consultation](#) published by the European Commission (EC) on 22 May 2024. The Consultation targets the adequacy of macroprudential policies for non-bank financial intermediation (NBFi).

The NBFi industry encompasses all entities of the financial sector, excluding the banking system, central banks and public financial entities.

Overview of the Targeted Consultation

The aim of this Consultation is to identify the vulnerabilities and risks of NBFis, map the existing [macroprudential framework](#), receive feedback on the current challenges to macroprudential supervision, and discuss potential enhancements. Thus, the Consultation concerns also licence holders, such as insurance undertakings, pension funds, investment funds, investment services providers, financial institutions as well as virtual financial assets agents and service providers.

The Consultation relates to the following key vulnerabilities stemming from NBFis:

- unmitigated liquidity mismatches
- the build-up of excessive leverage
- interconnectedness among NBFi sectors and between NBFi and banks

In addition, possible gaps in macroprudential frameworks across the EU in terms of consistency and coordination could lead to amplified and unaddressed systemic risks.

The EC will use the feedback received by the different stakeholders to inform the policy planning of the upcoming 2024-2029 College of Commissioners.

Next Steps

Responses to the consultations should be submitted by NBFIs directly to the European Commission through this [link](#). Submission deadline is **22 November 2024**.

The Authority encourages all NBFIs to take this opportunity and participate in the consultation process which is ultimately of interest to them.