

# Cooperative banks' contribution to the future of europe

Towards Single Market 2.0 and  
European Competitiveness

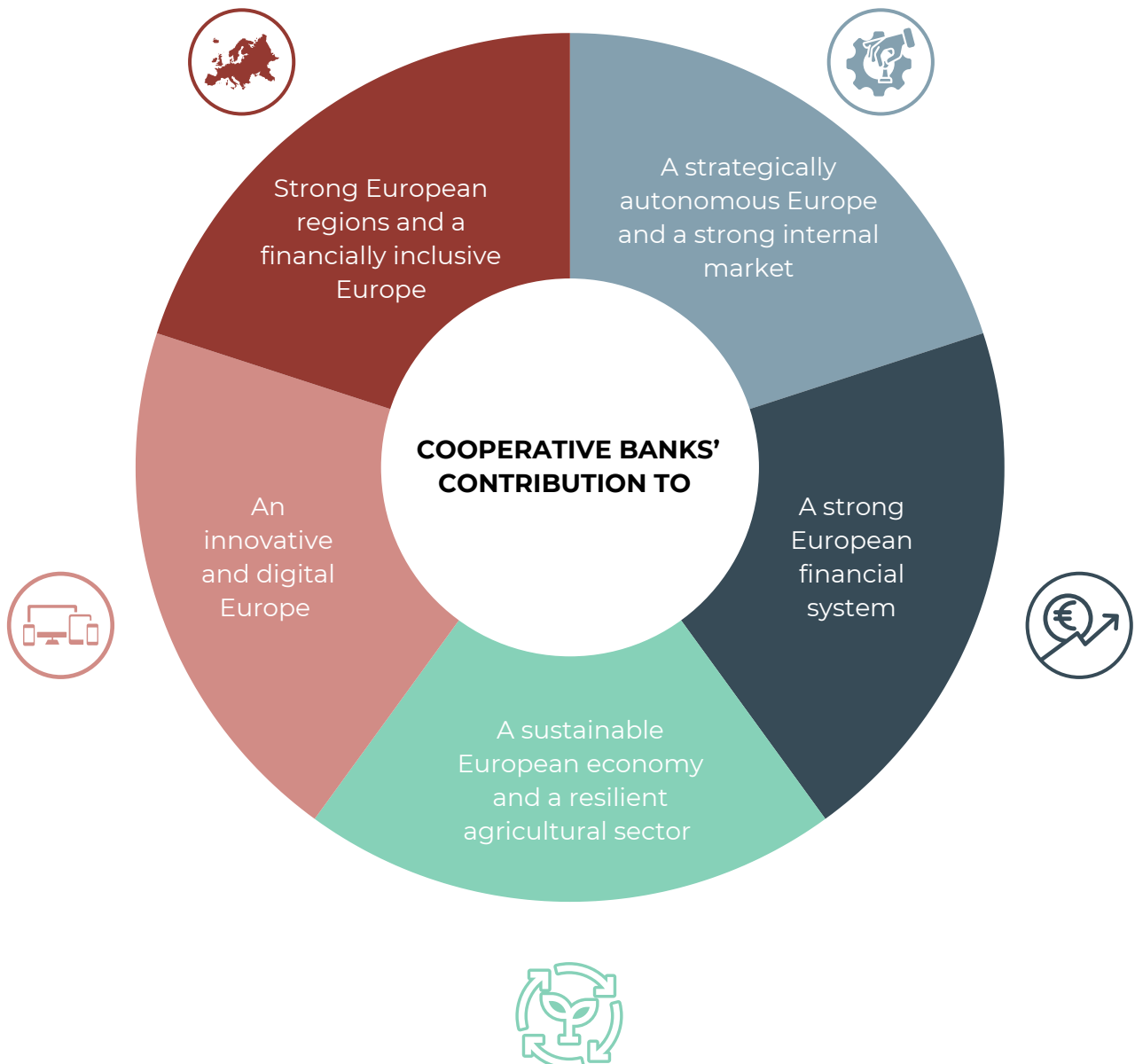


EUROPEAN ASSOCIATION  
OF CO-OPERATIVE BANKS

# Executive summary

Cooperative banks play a vital role strengthening Europe's regional economies, enhancing its financial and capital markets, fortifying its strategic autonomy globally, and financing Europe's sustainable and digital objectives. As cooperatives, they are key agents of the EU Social Economy Action Plan.

The preservation of the contributions that cooperative banks are able to offer will shape Europe's future. This **Manifesto** offers recommendations directed towards regulators and legislators, to foster an environment that will allow Europe's companies and citizens to reap the benefits of the cooperative banking model and contribute to a more competitive and resilient single market.



## Our recommendations to ensure cooperative banks' contribution to...



### Strong European regions and local communities and a financially inclusive Europe

- ▶ Promote a **diverse banking landscape** that allows both big European champions and **strong regional champions** to develop.



### A strategically autonomous Europe and a strong internal market

- ▶ **Curb financial legislation**, assess the combined impact of regulation, keep an eye on interactions, consistency, and consider the principle of proportionality.
- ▶ Translate the principle of **proportionality** into **concrete measures** enabling member-based banks, such as cooperative banks, to continue to bring value to their members even if they are regionally focused and smaller in size.
- ▶ **Balance market intervention and competitiveness**: scale back on price intervention tendencies (e. g. digital euro, retail investment strategy, FIDA, PSR, Consumer Credit Directive) to allow financial institutions to build long-term and sustainable business models for their individual operations.
- ▶ **Revisit the policy making process**: move away from detailed rule-based approaches towards more **principle-based**, less technocratic policies and legislation. Embrace a **“less is more”** philosophy, allow sandboxing for banks, and test new legislation based on its ability to enhance European **competitiveness**.



### A strong European financial system taking advantage of what Europe's banks and financial markets can offer

- ▶ Improve the current **EU Securitisation Framework** and explore the potential of **European Secured Notes**.
- ▶ Ensure **coherence between market objectives and prudential rules**.
- ▶ Enhance **tax incentives/ review withholding tax measures** to promote interest in Long-term Investment Instruments.
- ▶ Introduction of **cost sharing groups** for all kinds of services, in particular for financial services by amending Directive 2006/112/EG.

# Our recommendations to ensure cooperative banks' contribution to...



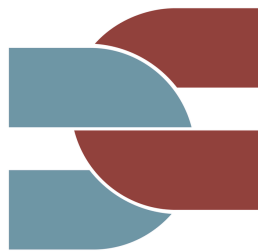
## A sustainable European economy and a resilient agricultural sector

- **Align** components of the **EU sustainable finance framework** to ensure their broad uptake and application.
- **Allow more flexibility in corporate sustainability reporting** for cooperative banks to measure their social impact and report on the benefits and performance specific to their business model.
- Adapt the **Supervisory framework** to facilitate the financing of green **transition** activities in banks' portfolios.



## An innovative, digital yet fair Europe

- **Delineate** clearly between the role of supervisors and market players.
- Ensure **data sharing** takes place in a **secure** and clear **framework** that guarantees consumer **consent**, leverages GDPR legal bases, supports **viable business models** for all participants in the data value chain, and adopts a **gradual approach**.
- Align future **AI guidelines** with existing **banking** practices and already **risk management** frameworks.
- Conduct an **in-depth assessment** of the **potential impact of the digital euro** on the financial system, banks, and the credit market.
- Adopt a **comprehensive approach to the fight against fraud**, addressing its root causes, involving all parties in the value chain, and supporting public-private partnerships and information exchange.



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The voice of **2.500** cooperative banks,  
**89** million members, and **225** million customers.

[www.eacb.coop](http://www.eacb.coop)



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