Council of the European Union

Brussels, 17 March 2026
(OR. en)

7384/26

Interinstitutional File:
2025/0359 (COD)

SIMPL 37
ANTICI 42
DATAPROTECT 90
CYBER 124
TELECOM 128
CODEC 464
INST 100
UEM 111
ECB

COVER NOTE

From:	Ms Christine LAGARDE, President of the European Central Bank
date of receipt:	13 March 2026
To:	General Secretariat of the Council
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) 2024/1689 and (EU) 2018/1139 as regards the simplification of the implementation of harmonised rules on artificial intelligence (Digital Omnibus on AI) [15708/25 - 2025/0359 (COD)] - European Central Bank/ ECB Opinion

Delegations will find below the opinion [1] of the European Central Bank on a proposed Regulation on the simplification of the digital legislative framework (Digital Omnibus on AI).

[1] This opinion will be published on EUR-Lex.

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OPINION OF THE EUROPEAN CENTRAL BANK

of 13 March 2026

on a proposal for a regulation as regards the simplification of the implementation of harmonised rules on artificial intelligence

(CON/2026/10)

Introduction and legal basis

On 19 November 2025, the European Commission published a proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) 2024/1689 and (EU) 2018/1139 as regards the simplification of the implementation of harmonised rules on artificial intelligence (Digital Omnibus on AI)[1] (hereinafter the 'proposed regulation').

The European Central Bank (ECB) has decided to deliver an own initiative opinion on the proposed regulation. The ECB's competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union since the proposed regulation contains provisions falling within the ECB's fields of competence, in particular regarding the ECB's tasks concerning the prudential supervision of credit institutions pursuant to Article 127(6) of the Treaty. In accordance with Article 17.5, first sentence, of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

1. General observations

1.1 In 2021 the ECB received a request from the Council of the European Union for, and adopted, an opinion on the original proposal for a regulation of the European Parliament and of the Council laying down harmonised rules on artificial intelligence (Artificial Intelligence Act)[2].

1.2 The ECB welcomes the objective of the proposed regulation to promote innovation and competitiveness within the internal market by simplifying and streamlining the implementation of Regulation (EU) 2024/1689 of the European Parliament and of the Council[3] (hereinafter the 'AI Act'). The ECB acknowledges the importance of establishing an accessible regulatory framework specific to AI systems while ensuring a consistent and high-level protection of public interests as regards health, safety and fundamental rights, as well as the importance of trustworthy and ethically sound artificial intelligence (AI) usage, as stipulated in the AI Act and in the proposed regulation[4]. In

1 COM(2025) 836 final.

2 Opinion CON/2021/40 of the European Central Bank of 29 December 2021 on a proposal for a regulation laying down harmonised rules on artificial intelligence (OJ C 115, 11.3.2022, p. 5).

3 Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (OJ L, 2024/1689, 12.7.2024, ELI: http://data.europa.eu/eli/reg/2024/1689/oj).

4 See recital 1 of the AI Act and recital 1 of the proposed regulation.

particular, as credit institutions increasingly rely on both high-risk and general-purpose AI systems, a streamlined framework is essential to ensure compliance with the AI Act and Union banking law.

1.3 From a prudential supervisory perspective, the establishment of well-designed innovation pathways allow credit institutions to safely experiment with AI solutions in controlled environments, while ensuring early identification of potential risks. Such pathways support both technological progress in the banking sector and the ECB's ability to assess potential impacts on the operational resilience, model risk and data governance of credit institutions.

1.4 The ECB understands that the proposed regulation does not impose additional obligations on the ECB in its capacity as prudential supervisor of credit institutions, nor does the ECB need to apply the AI Act in its supervision. Nonetheless, due to the ECB's supervision of credit institutions' information and communication technology (ICT) risk, and the fact that certain requirements under the AI Act may overlap with, or be addressed through, compliance with Union financial services law, close coordination and effective exchange of information between the ECB and national market surveillance authorities supervising credit institutions regulated under Directive 2013/36/EU of the European Parliament and of the Council[5] (hereinafter the 'CRD') are essential to ensure consistent supervision and the effective application of the AI Act in respect of such laws concerning credit institutions.

2. Institutional competences and supervisory powers

2.1 Under Article 127(6) of the Treaty and Council Regulation (EU) No 1024/2013[6] (hereinafter the 'SSM Regulation'), the Council has conferred on the ECB specific tasks concerning policies relating to the prudential supervision of credit institutions, with a view to contributing, inter alia, to the safety and soundness of credit institutions and the stability of the financial system within the Union and each Member State[7]. The ECB's mandate is limited to the prudential supervision of credit institutions. The ECB understands that conformity assessments[8], breach identifications[9] and enforcement of the AI Act[10] constitute tasks of market surveillance authorities and are not part of the ECB's prudential supervisory mandate[11].

2.2 Notwithstanding the ECB's restricted mandate in this field, the AI Act provides that national market surveillance authorities, supervising regulated credit institutions participating in the Single Supervisory Mechanism (SSM), should report, without delay, to the ECB any information identified

5 Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338, ELI: http://data.europa.eu/eli/dir/2013/36/oj).

6 Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63, ELI: http://data.europa.eu/eli/reg/2013/1024/oj).

7 See Article 1, first paragraph, of the SSM Regulation.

8 Article 5(6) and Articles 46 and 60 of the AI Act.

9 Articles 73, 74, 75, 76 and 80, and Article 83(1) of the AI Act.

10 Article 79(5) to (9), Articles 81 and 82, Article 83(2) and Articles 85 and 99 of the AI Act.

11 See paragraphs 2.1.4 and 2.1.5 of Opinion CON/2021/40 of the European Central Bank of 29 December 2021 on a proposal for a regulation laying down harmonised rules on artificial intelligence (OJ C 115, 11.3.2022, p. 5).

in the course of their market surveillance activities that may be of potential interest for the ECB's prudential supervisory tasks[12].

3. Exchange of supervisory information

3.1 Credit institutions that are providers or deployers of high-risk systems are deemed to comply with certain provisions of the AI Act when they comply with similar obligations under Union financial services law[13]. The ECB welcomes this principle, which prevents credit institutions from being faced with double reporting and potential conflicting supervisory views. However, as indicated in paragraph 2.1, the ECB does not have a market surveillance mandate under the AI Act and, in general, banking supervisors do not have the same mandate and supervisory priorities as market surveillance authorities under the AI Act. This means that, generally, prudential supervisors of credit institutions will not or cannot review requirements and pursue breaches under the AI Act. To ensure a level playing field in overseeing the application of the AI Act, banking supervisors like the ECB should therefore be able to share information with market surveillance authorities supervising credit institutions which are relevant to those market surveillance authorities.

3.2 The current framework primarily envisages the ECB as a recipient of information from market surveillance authorities[14]. In order to achieve the objectives of the AI Act, including the protection of fundamental rights, and ensure effective and coordinated market surveillance and prudential supervision, the proposed regulation should include an explicit legal basis allowing the ECB, on a need-to-know basis and subject to professional secrecy requirements, to share relevant prudential supervisory information with competent national market surveillance authorities supervising credit institutions which are regulated under the CRD and which fall under the ECB's supervision. A similar information exchange arrangement should also be introduced between national competent authorities supervising credit institutions and market surveillance authorities. Without such a clear legal basis, it is unclear how coordination between market surveillance and prudential supervisory authorities[15] could possibly be implemented in practice. The ECB also sees merit in extending to national market surveillance authorities supervising credit institutions which are not competent authorities for banking supervision (and therefore not part of the SSM) the duty to report to the ECB and to national competent authorities for banking supervision any information identified in the course of their market surveillance activities that may be of potential interest for the prudential supervisory tasks of the ECB and the national competent authorities for banking supervision[16]. A legal basis for such information sharing could be used, for instance, to share information on risk management or governance of the AI systems deployed by supervised credit institutions, or to share information impacting on their risk profile.

12 Article 74(7) of the AI Act.
13 Article 26(5) and (6) of the AI Act.
14 See Article 74(7) of the AI Act.
15 See recital 158 of the AI Act.
16 See Article 74(7), second paragraph of the AI Act.

4. Scope and classification of models and use cases

4.1 It is important for market participants, in particular credit institutions that use AI for credit scoring, to know which techniques fall under the definition of AI system[17] and which do not, as well as which techniques are considered 'high-risk' under the AI Act.

4.2 Further clarification would be appropriate, particularly by expressly excluding generalised linear models (e.g. linear or logistic regressions) from the scope of the AI Act's definition of high-risk AI systems, when used for credit scoring[18], due to their high level of explainability and transparency[19]. Such clarification could be reflected in the AI Act[20], and the Commission Guidelines on the definition of an artificial intelligence system established by Regulation (EU) 2024/1689[21].

4.3 In this regard, the ECB notes that generalised linear models, including linear and logistic regression, are inherently interpretable and transparent[22]. Their operation can be fully explained through a limited and stable set of parameters, whose influence on outcomes can be assessed using well-established statistical tools. Consequently, such models do not exhibit the 'black-box' characteristics that underpin the AI Act's enhanced governance and risk-mitigation requirements, which are primarily designed to address the challenges posed by complex, non-linear or self-learning systems[23], for which the current legal framework might not be suitable[24]. Further, from a proportionality and legal-certainty perspective, including generalised linear models, when used as standalone statistical techniques, within the scope of the AI Act's definition of high-risk AI systems would not materially contribute to reducing the risks associated with these models. Rather, this would create unnecessary compliance burdens, in particular in regulated financial sectors such as banking where such models are well established, broadly used and already subject to extensive prudential governance and supervisory scrutiny. Treating those algorithms equally to more complex and novel modelling methods used for credit scoring would be in contrast with the stated simplification objective of the proposed regulation. The ECB considers that further clarification would be warranted to expressly exclude generalised linear models from the definition of high-risk AI systems under the AI Act, without prejudice to cases where such models form part of more complex AI systems requiring a holistic risk assessment.

4.4 The AI Act clarifies that AI systems provided for by Union law for prudential purposes to calculate credit institutions' capital requirements (known as 'internal models') should not be considered high-

17 Article 3, point (1), of the AI Act.

18 See Annex III to the AI Act.

19 On this point, see also European Parliament resolution of 25 November 2025 on the impact of artificial intelligence on the financial sector (2025/2056(INI)), available on the European Parliament's website at www.europarl.europa.eu.

20 For instance, in Annex III to the AI Act.

21 See, for instance, paragraph 42 of the Communication from the Commission, Commission Guidelines on the definition of an artificial intelligence system established by Regulation (EU) 2024/1689 C(2025) 5053 final.

22 National Bank of Belgium, 'Financial Market Infrastructures and Payment Services Report', 2019, pp. 64-65, available on the NBB's website at www.nbb.be; F. Pérez-Cruz et al., 'Managing explanations: how regulators can address AI explainability', in Financial Stability Institute Occasional Paper No 24, 2025, p. 15, available on the website of the Bank for International Settlements at www.bis.org.

23 J. Tejero, 'Unwrapping black-box models: a case study in credit risk', in Revista de Estabilidad Financiera, 43, 2022, pp. 96 et seq. Available on the website of the Banco de España at www.bde.es.

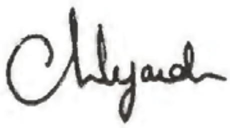
24 The ECB also excludes generalised linear regression models from the stricter expectations applicable to more complex models used for own funds requirements calculations. See ECB Guide to Internal Models, para. 31, fn. 35, available on the ECB's banking supervision website at www.bankingsupervision.europa.eu.

risk[25]. At the same time, AI systems intended to evaluate the creditworthiness of natural persons or to establish their credit score are to be considered high-risk under the AI Act[26]. However, under Regulation (EU) 575/2013 of the European Parliament and of the Council[27] (hereinafter the 'CRR'), internal models should play an essential role in the credit approval process and are consequently closely interlinked with credit scoring models[28]. This may lead to a situation in which prudential supervisors, assessing the internal model, and the market surveillance authority, assessing the credit scoring model, provide different and potentially conflicting guidance in their supervision. In this context, the ECB reiterates that an effective coordination and information exchange between market surveillance authorities and prudential supervisors is necessary to foster consistent application of overlapping requirements under the AI Act and the CRR, and to ensure an effective protection of fundamental rights. In any case, the ECB acknowledges that, even with proper information exchange, the root cause of the issue of potentially conflicting requirements would not be completely resolved. In this regard, credit institutions and their supervisors are faced with a complex process in order to ensure that the credit institution's internal model complies with the CRR and, in parallel, with the AI Act, also considering that the prudential supervisor and the competent market surveillance authority will most likely assess each model at a different point in time.

4.5 Finally, enhanced coordination between the Commission guidelines and guidance on the implementation of the AI Act and the European System of Financial Supervision would help avoid unnecessary administrative burdens and support a coherent supervisory framework.

Where the ECB recommends that the proposed regulation is amended, a specific drafting proposal is set out in a separate technical working document accompanied by an explanatory text to this effect. The technical working document is available in English on EUR-Lex.

Done at Frankfurt am Main, 13 March 2026.



The President of the ECB

Christine LAGARDE

25 Recital 58 of the AI Act.

26 See Annex III to the AI Act.

27 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).

28 See Article 144(1), point (b), of the CRR.

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Technical working document

produced in connection with ECB Opinion CON/2026/10[1]

Drafting proposals in relation to the proposed amendments to Regulation (EU) 2024/1689

(the AI Act)

Text proposed by the Commission	Amendments proposed by the ECB[2]
Amendment 1 Article 1, point (2a), of the proposed regulation (new) (Article 2 of the AI Act)	
No text	**'(2) in Article 2, the following paragraph 13 is added:** **"13. This Regulation is without prejudice to the powers conferred on competent authorities, including the European Central Bank (ECB), responsible for the supervision of credit institutions under Regulations (EU) No 1024/2013 and (EU) No 575/2013, and Directive 2013/36/EU.;"'**
<u>Explanation</u> *The ECB welcomes the mechanism established in the AI Act whereby credit institutions that comply with Union financial services law are also deemed in compliance with the AI Act. However, this mechanism might mislead market parties into thinking that the ECB applies the AI Act within the exercise of its prudential supervisory functions. In order to avoid this incorrect impression, the AI Act would benefit from a clear delineation between the responsibilities of different supervisors, since both the ECB and market surveillance authorities are responsible for supervising governance requirements and associated risks, albeit from different perspectives. To ensure legal certainty and consistency with the Treaty, the ECB proposes to clarify that the AI Act is without prejudice to the powers conferred on the ECB as a prudential supervisor of credit institutions.* *See paragraph 3.1 of the ECB Opinion.*	

1 This technical working document is produced in English only and communicated to the consulting Union institution(s) after adoption of the opinion. It is also published on EUR-Lex alongside the opinion itself.

2 Bold in the body of the text indicates where the ECB proposes inserting new text. Strikethrough in the body of the text indicates where the ECB proposes deleting text.

Text proposed by the Commission	Amendments proposed by the ECB[2]
Amendment 2 Article 1, point (12a), of the proposed regulation (new) (Article 40 of the AI Act)	
No text	**'(12a) in Article 40, the following paragraph 4 is added:** **"4. The application of harmonised standards under this Article shall be voluntary and without prejudice to the ECB's prudential supervisory tasks exercised under Regulations (EU) No 1024/2013 and (EU) No 575/2013, Directive (EU) 2013/36/EU and sector-specific legislation."'**
<u>*Explanation*</u> *Market participants can adopt harmonised standards to ensure compliance with Article 40 of the AI Act. These harmonised standards may overlap with sectoral legislation, especially in highly regulated environments such as the banking sector. In particular, credit institutions are already subject to stringent regulation, encompassing both soft law (e.g. European Banking Authority (EBA) guidelines) and hard law (e.g. the CRR and the CRD) instruments. In order to clarify the legal framework and facilitate compliance (including by credit institutions), the ECB sees merit in clarifying that the adoption of harmonised standards, including by credit institutions, is voluntary and is without prejudice to the ECB's prudential supervisory tasks and sector specific legislation. This clarification should be explicitly set out in the operative part of the AI Act.*	
Amendment 3 Article 1, point (24a), of the proposed regulation (new) (Article 74(7) of the AI Act)	
No text	**'(24a) in Article 74(7), the second subparagraph is replaced as follows:** "7. [...] **National market surveillance authorities supervising regulated credit institutions regulated under Directive 2013/36/EU shall report without delay to the ECB and to competent authorities as defined in Regulation**

Text proposed by the Commission	Amendments proposed by the ECB[2]
	(EU) No 575/2013 any information identified in the course of their market surveillance activities that is relevant to the prudential supervisory tasks of the ECB and of such competent authorities. **The ECB and competent authorities as defined in Regulation (EU) 575/2013 shall be able to make use of any information lawfully available to them, including information received under this Article, in the exercise of their supervisory tasks; and may share with national market surveillance authorities supervising credit institutions regulated under Directive 2013/36/EU any confidential information that is relevant to the exercise of their surveillance tasks under this Regulation.**"'

<u>*Explanation*</u>

The ECB and other competent authorities are bound by strict professional secrecy rules and may share confidential supervisory information only where Union law explicitly so allows. Under the current AI Act, Articles 74 and 78 do not provide a sufficient legal basis for reciprocal information sharing between the ECB and other competent authorities on the one hand, and market surveillance authorities on the other hand. Article 74 allows market surveillance authorities to share information with the ECB, but not with competent authorities. In addition, Article 78 does not list the ECB among the authorities authorised to exchange information. As a result, the ECB cannot share its prudential findings with market surveillance authorities under the AI Act, forcing market surveillance authorities to repeat investigations, increasing the reporting burden on credit institutions, and risking less effective supervision and enforcement of AI-related risks. In addition, given that under the AI Act credit institutions are deemed to comply with the AI Act if they comply with similar obligations under Union financial services law, the fact that currently the ECB is not able to share information with national market surveillance authorities poses serious coordination and enforcement problems in the case of breaches committed by credit institutions.

These amendments support the simplification objective of the proposed regulation by enabling market surveillance authorities to rely on information already collected by the ECB and competent authorities, thereby avoiding duplicative requests and investigations and reducing administrative and reporting burdens for credit institutions. In addition, it should be made clear that the information is not used by the ECB in its capacity as a central bank, nor – where competent authorities are concerned – for purposes unrelated to supervision.

To ensure the effectiveness of the exchange of information framework, similar coordination is deemed appropriate with market surveillance authorities that are also competent authorities, regardless of

Text proposed by the Commission	Amendments proposed by the ECB[2]
whether they participate in the SSM or not. This would create a coherent framework for information sharing with all relevant prudential supervisors, preventing gaps in enforcement and ensuring consistent application of the AI Act. *See paragraphs 3.1 to 3.3 of the ECB Opinion.*	
Amendment 4 Article 1, point (28a), of the proposed regulation (new) (Article 96 of the AI Act)	
No text	**'(28a) in Article 96, the following paragraph 3 is added:** **"3. The European Banking Authority, the European Securities and Markets Authority, and the European Insurance and Occupational Pensions Authority may provide input for the development of guidelines or guidance in relation to the application of this Regulation in the context of credit institutions, investment firms and insurance undertakings regulated by Union legal acts."'**
Explanation *Credit institutions are subject to comprehensive governance, risk management and supervisory requirements under Union law, including the CRR, CRD, Regulation (EU) 2022/2554 of the European Parliament and of the Council[3] and the EBA's guidelines and supervisory practices. These frameworks address, in a sector-specific and operationally mature manner, many of the risks that the AI Act seeks to mitigate.* *In this context, and following the simplification objective of the proposed regulation, the involvement of the EBA and the European Insurance and Occupational Pensions Authority in the development of Commission guidelines and guidance would help ensure that AI-specific supervisory expectations are aligned with, and build upon, existing prudential and conduct supervision in the financial sector. Drawing on its established role within the European System of Financial Supervision, these authorities are uniquely placed to identify overlaps, complementarities and potential inconsistencies between the AI Act's requirements and existing banking and financial services legislation, thereby supporting a coherent*	

3 Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (OJ L 333, 27.12.2022, p. 1, ELI: http://data.europa.eu/eli/reg/2022/2554/oj).

<table>
<tr><th>Text proposed by the Commission</th><th>Amendments proposed by the ECB[2]</th></tr>
<tr><td colspan="2">and proportionate application of the rules.
Moreover, given the technical and operational complexity of AI systems deployed by credit institutions, sectoral supervisors possess the necessary domain-specific expertise to assess compliance with requirements relating to data governance, model risk, cybersecurity and human oversight. These authorities' contribution would facilitate a supervisory approach that encourages reliance on existing supervisory mechanisms where appropriate, and prevents duplication and regulatory fragmentation.
Finally, involving these authorities in the preparation of Commission guidelines would support a proportionate, risk-based supervisory approach that recognises the maturity of the governance and control frameworks already in place within regulated credit institutions. This would reduce unnecessary administrative burdens while preserving high standards of safety, accountability and the protection of fundamental rights pursued by the AI Act.
See paragraph 3.3 of the ECB Opinion.</td></tr>
<tr><td colspan="2">Amendment 5
Article 1, point (31b), of the proposed regulation (new)
(Annex III, paragraph 5, point (b), of the AI Act)</td></tr>
<tr><td>No text</td><td>'(31b) In Annex III, paragraph 5, point (b), is replaced by the following:
"(b) AI systems intended to be used to evaluate the creditworthiness of natural persons or establish their credit score, with the exception of AI systems used for the purpose of detecting financial fraud and AI systems intended to assess the creditworthiness of natural persons or establish their credit score, when they rely solely on linear or logistic regressions under human supervision;"'</td></tr>
<tr><td colspan="2"><u>Explanation</u>
With regard to AI systems intended to assess the creditworthiness of natural persons or establish their credit score that rely solely on linear or logistic regression or decision trees under human supervision, generalised linear models are widely used by credit institutions for calculating key risk management and supervisory metrics in the context of prudential risk measurement and capital adequacy, and their use is also recognised by the ECB. Such models are inherently transparent and interpretable and do not raise the risks that justify the AI Act's enhanced governance requirements.
See paragraphs 4.1 to 4.3 of the ECB Opinion.</td></tr>
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