

Legal Research Programme 2024

The European Central Bank (ECB) launched the Legal Research Programme (LRP) in 2008 to foster analysis of areas of law relevant to the ECB's statutory tasks and to establish closer contacts with academia.

The ECB is seeking applications from established scholars or promising early career researchers for the award of one or more scholarships to conduct legal research and publish an article on one of the topics set out below. Candidates should hold a position in a research institution and cannot be in an employment relationship with the ECB. Each scholarship is endowed with a grant of EUR 5,000, which is not compatible with any other fellowships or grants received from third parties in relation to the same research project, unless the ECB expressly consents to this. The scholarship will be paid provided the research paper is published in an internationally renowned and peer-reviewed academic journal.

Call for papers

Application deadline: 22:00 CET on 18 February 2024

Research projects

A scholarship under the LRP will be awarded to applicants who propose a research project on one of the following research topics:

1. Climate-related risk: scenario planning for banks and supervisors

Banks face multiple uncertainties when managing their climate-related risks. One of them is the uncertainty on which climate scenario will materialise: 1.5°C, or 2°C temperature increase or anything in between. The IPCC has warned however that the risk levels change significantly from 1.5°C to 2°C of global warming. How should banks and supervisors deal with climate-related risk if there is no scenario to plan for? In an optimistic scenario, banks should set aside less capital, thus there is an undue incentive for banks to plan optimistically (max 1.5°C increase). Scientific evidence on global warming unfortunately seems to imply developments in the other direction. Is there a legal basis to require banks to plan, and be capitalised for the more negative scenarios? How can banks and supervisors plan far ahead (draft transition plans) while facing regulatory uncertainty?

[Submit a proposal for topic 1](#)

2. The ECB and climate transition plans

Climate transition plans delineate the strategic paths for businesses to realign their existing assets, operations, and entire business models with the Paris Agreement's objective of limiting global warming to 1.5°C. These plans require companies and financial institutions to develop science-based roadmaps that establish concrete interim targets, illustrating the evolution of their business models over time to achieve longer-term objectives, including the 2050 target of net-zero emissions. Various European legislative initiatives mention transition plan requirements for financial institutions in the context of sustainability disclosures, due diligence duties and financial institutions' risk management. Notably, in

May 2023, the Network for Greening the Financial System published a report taking stock of emerging practices relating to climate transition plans and evaluating the role of central banks and supervisors. The legal research could consider some or all of the following issues:

- Assess the relevance and extent to which climate transition plans relate to the supervisory role and mandate of the ECB;
- Explore the role of climate transition plans within the wider prudential supervisory framework; Evaluate the challenges and opportunities for financial institutions to comply with transition plan requirements;
- Analyse how transition plan requirements that apply to financial institutions could be adapted to support the alignment of central banking tasks and business activities with the objectives of the Paris Agreement;
- Analyse the potential expansion of climate transition plans to encompass other nature-related risks, such as biodiversity loss, or to address just transition goals.

[Submit a proposal for topic 2](#)

3. Extraterritorial scope and effect of ECB law

Legal scholarship has thoroughly analysed the (extra)territorial reach of EU primary and secondary law in areas as diverse as competition policy, data protection and banking and financial markets. Such work could be used to inform the current study on the scope and effect of ECB law, which may cover for instance ECB acts relating to payment systems, banknotes, statistics and banking supervision. While most Treaty provisions apply to all EU's Member States in light of Articles 52 TEU and 355 TFEU, Article 139 TFEU specifies that most EMU-related Treaty provisions do not apply to Member States which are not part of the euro area. This is the case inter alia for Article 132 TFEU, which establishes the ECB's regulatory powers to adopt legal acts as necessary to carry out the tasks entrusted to the ESCB, and to impose fines or periodic penalty payments on undertakings for failure to comply with obligations under ECB's regulations and decisions. These provisions are mirrored in Articles 42 and 34 of the Statute of the ESCB and the ECB. What do these provisions exactly imply for the possible geographical scope and effect of ECB legal acts? What relevance does the scope of means of enforcement (e.g. resulting from Article 299 TFEU) have in this regard? Should ECB legal acts be exclusively addressed to, or affect, entities established or conducting business within the euro area? Or could ECB legal acts, to the extent necessary to carry out the tasks entrusted to the ESCB, also have a different territorial scope, and in what circumstances?

[Submit a proposal for topic 3](#)

4. Banking supervision meets public international law – Cross-border on-site inspections

The ECB may carry out on-site inspections (OSIs) at, among others, subsidiaries in the form of credit institutions of 'SSM-banks' and outsourcing providers that are located in third countries. When carrying

out OSIs the ECB is making use of investigatory powers and performing a 'sovereign task' in another jurisdiction. While the applicable legal framework is clearer for OSIs which take place in the EU, the research proposal should focus on the rules which apply when OSIs are carried out in third countries. Another research question which would deserve being analysed concerns the rules that would apply if third country authorities wanted to carry out on-site inspections within the EU, and in particular at significant credit institutions or outsourcing providers located within the EU or in participating Member States.

[Submit a proposal for topic 4](#)

5. Taxes on banks' windfall profits as anti-inflationary measure

Several Member States have adopted or plan to adopt temporary taxes on banks' profits with the purpose of enhancing their budgetary resources. In some jurisdictions these taxes have the explicit purpose of counterbalancing the negative effects of a higher inflation on vulnerable sectors of the population. The ECB has issued several opinions on draft proposals for taxes on banks' profits where, without an outright policy critique towards such measures, indicated that these taxes should not damage the overall resilience and solvency of the banking system or impair credit growth and the tightening of financial conditions to households or corporates. Taking into consideration the primary objective of price stability in monetary policy and its distributional effects – i.e.: via the allocation/transfer of financial resources to commercial banks via higher interest-on-reserves rates – taxation at the Member State level may tone down such consequences by re-allocating financial resources to relevant sectors of the population. In this context, the adoption of Council Regulation (EU) 2022/1854, which also introduced a temporary solidarity contribution on surplus profits in the energy sector represents an interesting precedent in this area of research. Research proposals should aim to analyse the potential corrective role that taxation may have with respect to the externalities caused by monetary policy, having in mind the potential interferences of national measures with monetary policy; the distribution of competences between the EU and Member States; and the legal feasibility of action at EU level on this matter.

[Submit a proposal for topic 5](#)

6. ECB Banking Supervision powers & AI Act implementation

Artificial Intelligence (AI) relies on large amounts of data instead of code, as classical software does; the use of AI, therefore, brings novel challenges that have called for regulatory action at the EU level. The adoption of the so-called AI Act is under way. The AI Act is meant to apply to all AI applications in different domains and sectors; furthermore, it lays down a robust risk methodology to define 'high-risk' AI systems that pose significant risks to fundamental rights of persons. The research proposal should focus on: (i) the extent to which primary and secondary EU law cater for potential additional supervisory powers in the realm of AI Act enforcement; (ii) the interaction between the prudential and AI governance systems (i.e., between ECB Banking Supervision and the European Artificial Intelligence Board, a body in charge of facilitating a harmonised implementation of the act); (iii) more broadly, the extent to which additional prudential supervisory tasks and powers can fall in the scope of the digital single market strategy.

[Submit a proposal for topic 6](#)

7. The ECB's role as a fiscal agent and potential impacts on institutional balance

In accordance with Article 21 of the ESCB Statute, the ECB may act as fiscal agent for the EU. As part of the Union's response to the COVID-19 crisis, financing programmes including SURE and Next Generation EU ("NGEU") were launched which led to a sharp increase in the volume of EU bond issuance. This in turn led the Commission to undertake a comprehensive review of its bond issuance, including its payment and bond settlement infrastructure. This review highlighted the benefits of moving from arrangements involving commercial settlement service providers to a Eurosystem-based settlement infrastructure. This new role as a fiscal agent for Union institutions can be seen a step towards closer links with the other Union institutions in the realisation of a fundamental step in the development of the EU's fiscal capacity. The legal research should address the issues of institutional balance, legal basis and accountability and liability, also against the background of the established role of national central banks acting as fiscal agents at national level.

[Submit a proposal for topic 7](#)

Applications

Applications should be submitted via the link indicated above for the relevant research topic no later than **22:00 (CET) on 18 February 2024**. The ECB aims to assign at least one third of the assigned scholarships to Junior Scholars (i.e. scholars who are doctoral candidates or obtained their doctoral degree no earlier than 1 January 2021). To further enhance diversity, the ECB particularly encourages applications from female candidates.

The ECB may decide not to award a scholarship for any of the above research topics, if, in its opinion, no application of a sufficient quality has been submitted for the relevant research topic(s). The applications will be assessed by a committee composed of members of the ECB's Legal Services.

Applications must include:

- > the applicant's curriculum vitae;
- > in the case of Junior Scholars: an official statement confirming the doctoral candidate status of the applicant or the date on which the doctoral degree was obtained;
- > a proposal falling under one of the research topics mentioned above. Such proposal should be no longer than 1,500 words (not including charts, graphs, or bibliography) and consist of the following:
 - > a statement of the issues to be addressed;
 - > the proposed methodology;

- an analysis of the originality and significance of the proposed research paper in view of the existing academic literature.

About the scholarship

During their scholarship, the selected candidates are required to write a paper on a topic related to the research topics which are included in the call for papers. Scholars are encouraged to present their papers at relevant ECB workshops and conferences and, ultimately, to have them published in leading refereed journals.

Presentation of the research proposal

The selected Scholars will be invited to a seminar to be held at the ECB in spring 2024, to present their proposal against the background of their previous research in the relevant field. This seminar is intended to establish a productive relationship with the Scholars, and to provide Scholars with constructive feedback on their research subject from practitioners in the field.

Submission of a first draft paper

The Scholars must submit to the ECB a first draft of the research paper by 30 June 2024.

Presentation of the draft paper

The Scholars will take into account the feedback provided by the ECB and be prepared to present the draft paper in September 2024.

Finalisation of the paper

Scholars are expected to take the remarks and suggestions of the ECB's review into due consideration and finalise the research paper by 30 October 2024.

Publication of the paper

Scholars are expected to seek publication of the research paper in a well-recognised, internationally renowned and peer-reviewed academic journal. The publication of the paper is a condition for the payment of the scholarship, in the absence of which the right to the honorarium will elapse.

In case of questions, please address your query to: LegalServices@ecb.europa.eu.

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