

Update on SSM

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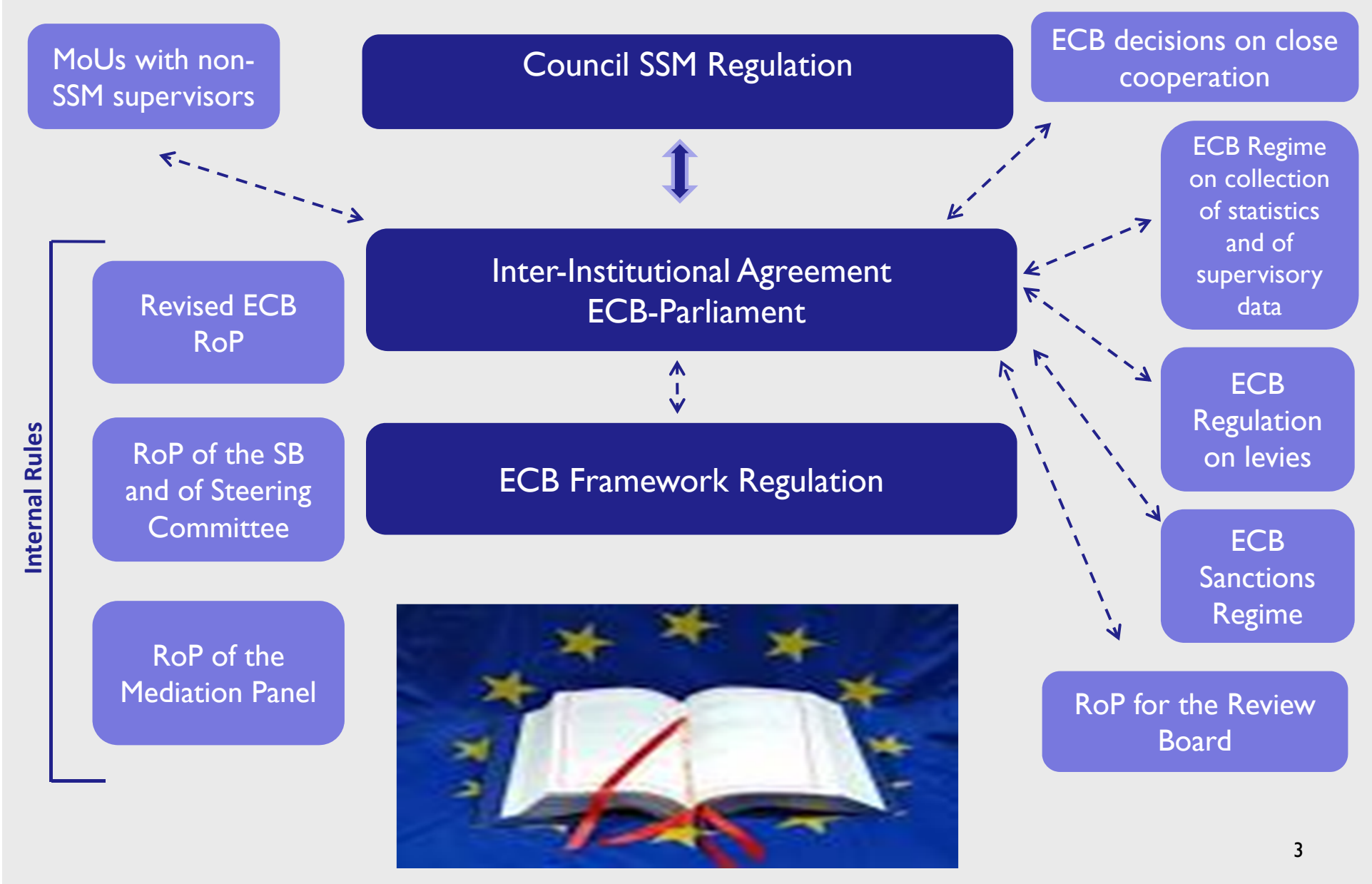
EFMLG meeting - Madrid

4 October 2013

Timetable of SSM Regulation

- a) Approval by the **Council**: early October 2013
- b) Signature of Inter-Institutional Agreement **ECB-Parliament**
- c) Publication in **Official Journal**: end of October 2013
- d) Entry **into force**: five days after official publication
- e) **SSM start**: one year after publication
- f) Interim period:
 - i. Adoption of new **ECB** organisation and internal rules for **SSM**
 - ii. Constitution of **Supervisory Board**
 - iii. **ECB** recruitment process: top-down cascade
 - iv. Public consultation on **ECB** implementing regulations
 - v. Balance sheet assessment process: methodology decided (**Q4 2013**) and implemented (**Q1 2014**)
 - vi. Adoption of **SSM Framework Regulation**; methodology to determine scope of direct and indirect supervision; list of directly supervised groups
 - vii. Adoption and conclusion of other legal acts (close cooperation, **MoUs**, levies)

SSM Legal Framework



Content of the SSM Framework Regulation

Part I – General provisions

Part II – Organisation of the SSM

Part III – Operation of the SSM

Part IV - Methodology

Part V – Common procedures

Part VI – Procedures for significant credit institutions

Part VII – Procedures for less significant credit institutions

Part VIII – Close cooperation

Part IX – Macro-prudential procedures

Part X – Penalties

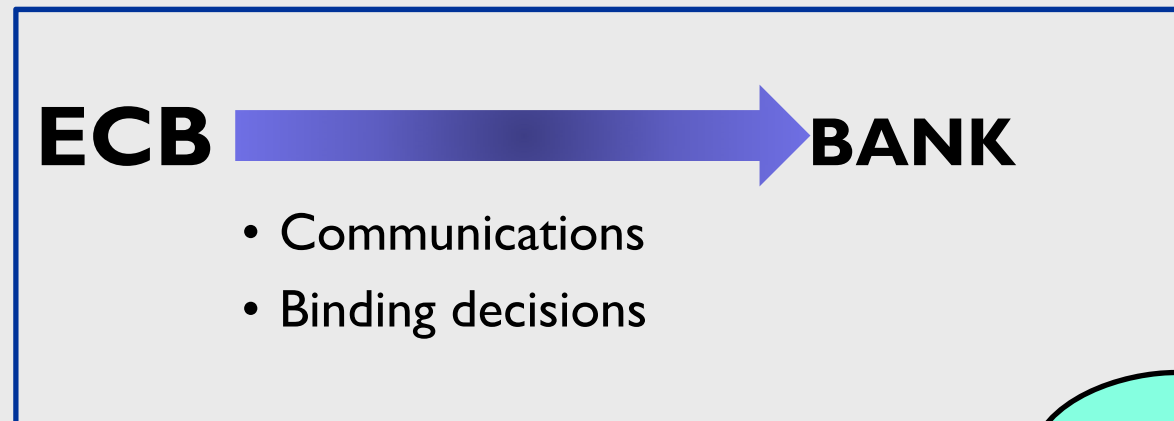
Part XI – Inspections and investigations

Part XII – Transitional and final provisions

Language regime



English



English
(if agreed)

National language
(if no agreement on EN)

ECB
translates

Language regime (2)

BANK → **NCA**

- Communications
- Applications

National
language

BANK → **ECB**

- Communications
- Applications

English
(if agreed)

National language
(if no agreement on EN)

NCA
may
translate if
necessary

ECB sanctioning powers: three limitations

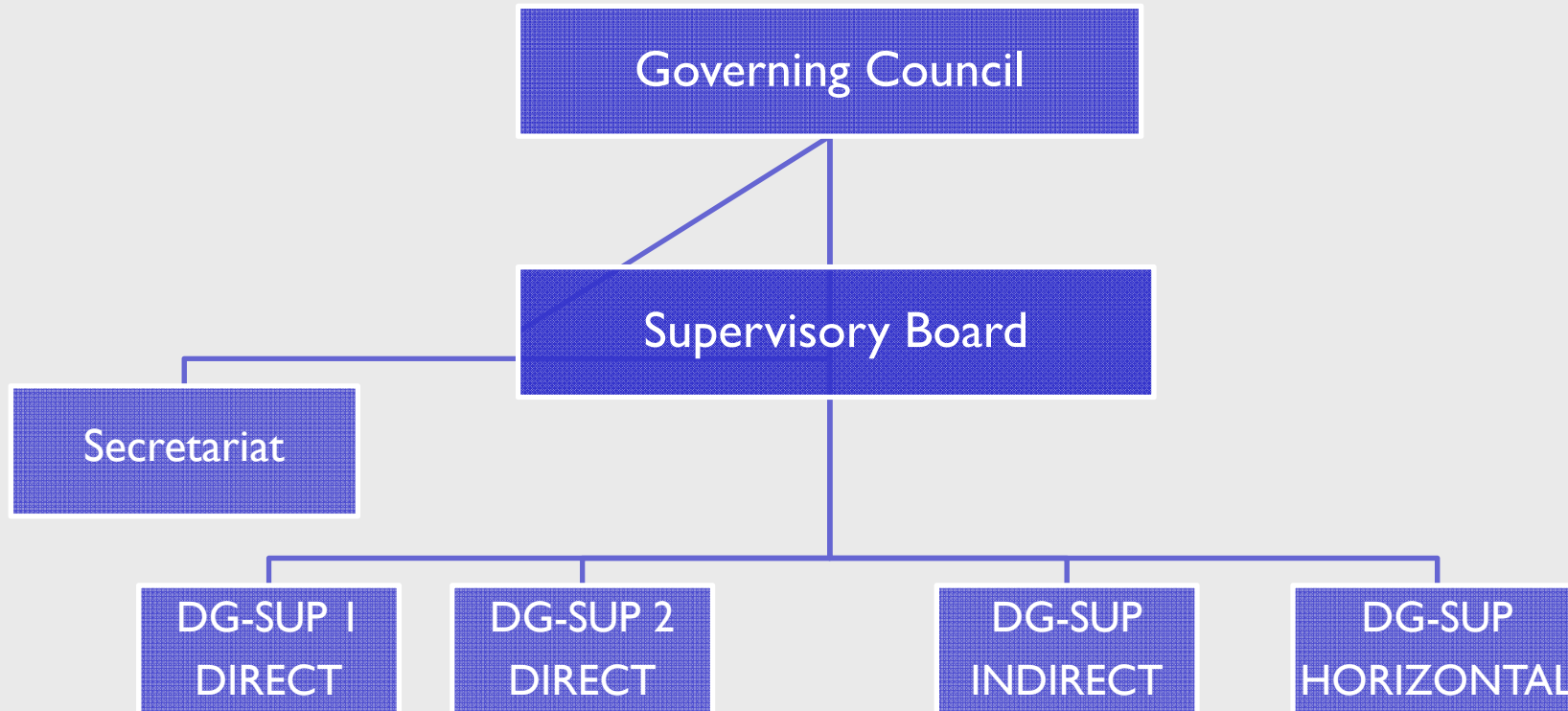
- Only on **directly supervised** institutions; NCAs retain sanctioning power for non-directly supervised institutions;
- Only for breaches of **directly applicable EU or ECB law**; NCAs retain sanctioning power for breaches of national law;
- Only **pecuniary** sanctions; NCAs retain sanctioning powers other than pecuniary.

Other infringements, and non-pecuniary sanctions: NCAs sanctioning powers under national law, but:

- *ECB may issue regulations, guidelines, general instructions to NCAs;*
- *ECB oversees the functioning of the system;*
- *ECB may collect information directly from the entities;*
- *ECB may decide to exercise directly supervisory powers.*

Staffing process

Vacancy notices published in ECB website on 30/9/2013 for:
Chair of Supervisory Board
Director General
Deputy Director General



Any question?



Thanks for your attention!

[DISCLAIMER: THIS PRESENTATION DOES NOT NECESSARILY REPRESENT THE VIEWS OF THE ECB, BUT THE OPINION OF THE SPEAKER]