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

- MoUs with non-SSM supervisors
- Revised ECB RoP
- RoP of the SB and of Steering Committee
- RoP of the Mediation Panel
- Council SSM Regulation
- Inter-Institutional Agreement ECB-Parliament
- ECB Framework Regulation
- ECB decisions on close cooperation
- ECB Regulation on levies
- ECB Sanctions Regime
- RoP for the Review Board
## Content of the SSM Framework Regulation

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Language regime

**ECB** NCA
- Communications
- Legal acts

**ECB** BANK
- Communications
- Binding decisions

**English**

ECB translates

**English (if agreed)**

**National language (if no agreement on EN)**
Language regime (2)

**BANK** → **NCA**
- Communications
- Applications

BANK → **ECB**
- Communications
- Applications

- National language
- 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

Diagram:
- Governing Council
  - Supervisory Board
    - Secretariat
      - DG-SUP 1 DIRECT
      - DG-SUP 2 DIRECT
      - DG-SUP INDIRECT
      - DG-SUP HORIZONTAL
Any question?

Thanks for your attention!

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