

**Question for written answer Z-033/2019
to the Chair of the Single Supervisory Mechanism Board
Rule 131a
Marco Zanni (ENF), Marco Valli (EFDD)**

Subject: Follow-up to question on Carige and BlackRock

In his reply¹ to question Q-Z027 on the use of BlackRock for stress tests, the Chair of the Supervisory Board, after confirming that BlackRock's internal procedures to mitigate conflicts of interest were fully effective, announced the decision to recruit specific additional staff in order to reduce the reliance on external consultants for future stress tests.

Given that:

- in 2015 BlackRock agreed to pay the SEC in the USA² USD 12 million to settle a case concerning an infringement of conflict-of-interest rules;
- its special access to banks' sensitive data undoubtedly gave BlackRock a huge advantage, in terms of information, compared to other investors, entailing a high risk of conflict of interest with regard to supervision;

Can the Chair of the Single Supervisory Mechanism Board:

- explain why a decision was taken to increase, from now on, the number of internal staff – and accordingly, expenditure – in order to avoid using external consultants, given its previous reassurances that BlackRock was suitable;
- say whether he agrees with concerns regarding the difficulty in ensuring full monitoring of compliance with contractual obligations, or why he believes that the supervisory board can rely on the internal procedures implemented by a private entity?

¹https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter190521_Zanni_Valli~5b42c3705f.en.pdf?fbclid=IwAR0iFyuvK1P8eQcP3iixvcyQiw4hlp2MR8ziVv-mRsSmfPtookM3_q7hEE8.

² <https://www.sec.gov/news/pressrelease/2015-71.html>.