



PARLAMENT EWROPEW

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*Dokument ta' sessjoni*

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# **RAPPORT**

dwar il-proposta tal-Bank Ċentrali Ewropew għall-ħatra tal-President tal-Bord  
Supervizorju tal-Bank Ċentrali Ewropew  
(N7-0103/2013 – C7-0424/2013 – 2013/0901(NLE))

Kumitat għall-Affarijiet Ekonomiċi u Monetarji

Rapporteur: Sharon Bowles

***Tifsira tas-simboli użati***

- \* Proċedura ta' konsultazzjoni
- \*\*\* Proċedura ta' approvazzjoni
- \*\*\*I Proċedura legiżlattiva ordinarja (l-ewwel qari)
- \*\*\*II Proċedura legiżlattiva ordinarja (it-tieni qari)
- \*\*\*III Proċedura legiżlattiva ordinarja (it-tielet qari)

(It-tip ta' proċedura jiddependi mill-bażi legali proposta mill-abbozz ta' att.)

## WERREJ

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## ABBOZZ TA' RIŻOLUZZJONI LEGIŻLATTIVA TAL-PARLAMENT EWROPEW

**dwar il-proposta tal-Bank Ċentrali Ewropew għall-hatra tal-President tal-Bord  
Supervizorju tal-Bank Ċentrali Ewropew  
(N7-0103/2013 – C7-0424/2013 – 2013/0901(NLE))**

### (Approvazzjoni)

*Il-Parlament Ewropew,*

- wara li kkunsidra l-proposta tal-Bank Ċentrali Ewropew tat-22 ta' Novembru 2013 għall-hatra tal-President tal-Bord Supervizorju tal-Bank Ċentrali Ewropew (N7-0103/2013),
  - wara li kkunsidra r-riżoluzzjoni tiegħu tat-22 ta' Ottubru 2013 dwar il-proposta għal regolament tal-Kunsill li jikkonferixxi kompiti speċifiċi lill-Bank Ċentrali Ewropew fir-rigward tal-politiki relatati mas-supervizjoni prudenzjali ta' istituzzjonijiet ta' kreditu<sup>1</sup>,
  - wara li kkunsidra l-Ftehim Interistituzzjonali bejn il-Parlament Ewropew u l-Bank Ċentrali Ewropew dwar il-modalitajiet prattici tal-eżerċizzju tar-responsabbiltà demokratika u tas-supervizjoni tal-eżerċizzju tal-kompiti mogħtija lill-Bank Ċentrali Ewropew fil-qafas tal-Mekkanizmu Supervizorju Uniku<sup>2</sup>,
  - wara li kkunsidrat ir-Regoli ta' Proċedura tagħha,
  - wara li kkunsidra r-rapport tal-Kumitat għall-Affarijiet Ekonomiċi u Monetarji (A7-0452/2013),
- A. billi l-Artikolu 26(3) tar-Regolament (UE) Nru 1024/2013 jipprevedi li l-Bank Ċentrali Ewropew (BĊE) għandu jressaq lill-Parlament il-proposta tiegħu għall-hatra tal-President tal-Bord Supervizorju tiegħu u li l-President għandu jintagħżel abbazi ta' proċedura miftuħa ta' għażla minn fost l-individwi mhux membri tal-Kunsill Governattiv li għandhom reputazzjoni u esperjenza rikonoxxuta f'operazzjonijiet bankarji u finanzjarji;
- B. billi l-Artikolu 26(2) tar-Regolament (UE) Nru 1024/2013 jipprevedi li l-hatriet għall-Bord Supervizorju skont dak ir-Regolament għandhom jirrispettaw il-prinċipji tal-bilanċ tas-sessi, l-esperjenza u l-kwalifiki;
- C. billi, permezz ta' ittra datata t-22 ta' Novembru 2013, il-BĊE ppreżenta proposta lill-Parlament għall-hatra ta' Danièle Nouy bħala l-President tal-Bord Supervizorju tal-BĊE għal mandat ta' hames snin;
- D. billi l-Kumitat għall-Affarijiet Monetarji u Ekonomiċi tal-Parlament imbagħad ipproċeda li jevalwa l-kredenzjali tal-kandidat propost, b'mod partikolari fid-dawl tar-rekwiżiti stipulati fl-Artikolu 26(2) u (3) tar-Regolament (EU) Nru 1024/2013; billi fit-tweqqig ta' din l-evalwazzjoni, il-Kumitat irċieva curriculum vitae mingħand il-kandidat propost kif ukoll t-twegibiet tagħha għal kwestjonarju bil-miktub;

<sup>1</sup> ĠU L 287, 29.10.2013, p. 63.

<sup>2</sup> ĠU L 320, 30.11.2013, p. ....

- E. billi l-Kumitat sussegwentement għamel smiġ mal-kandidat propost fis-27 ta' Novembru 2013, u li matulu dan tal-aħħar għamlet stqarrija preliminari u imbagħad wiegħbet għall-mistoqsijiet li ġew indirizzati lejha mill-membri tal-Kumitat;
1. Japprova l-proposta tal-BĊE għall-ħatra ta' Danièle Nouy bħala l-President tal-Bord Superviżorju tal-BĊE;
  2. Jagħti istruzzjonijiet lill-President tiegħu biex jgħaddi din id-deċiżjoni lill-Bank Ċentrali Ewropew, lill-Kunsill, u lill-gvernijiet tal-Istati Membri.

## ANNEX 1: ANSWERS BY DANIELE NOUY TO THE QUESTIONNAIRE

### A. Personal and professional background

#### *1. Please highlight the main aspects of your professional experience in financial supervision.*

During the first ten years of my professional life (1974-1984) I was involved in all the aspects of the bank supervisory work: on-site and off-site supervision, studies, policy making, accounting and reporting in a nutshell, everything except IT. But even this task was eventually covered, in 2010, when the French supervisory authority was selected to deliver EBA's IT platform.

During the next 12 years (1985-1996) I was very much involved in international and European activities as well as in the supervision of market operations, and I was promoted to senior responsibilities; I was Director and number 3 of the French Commission bancaire, when I moved to Basel in 1996. In between, I was:

- Banque de France representative in New York in 1984 and 1985,

- Member of numerous international and European committees, including the European Groupe de contact and the Basel Committee for banking supervision; I chaired several working groups, including the off-balance-sheet working group of the Basel Committee, in charge of accounting, reporting, disclosure of derivatives.

Between December 1996 and October 2003, I was Deputy Secretary General of the Basel Committee (until July 1998) and Secretary General of the Basel Committee. I was the head of the team in charge of supporting the work and preparing the decisions of the Basel Committee.

Between November 2003 and March 2010, as Secretary General of the Commission bancaire, I was in charge of the supervision of the French banking system. I was elected Vice-Chair (2004-2006) and Chair (2006-2008) of the Committee of European Banking Supervisors (CEBS).

On March 2010, the French Minister of Finance, Christine Lagarde, appointed me Secretary General of the French Prudential Supervision and Resolution Authority, in charge of the supervision of banks and insurance companies. I am a member of the Management Board of both the European Banking Authority (EBA) and of the European Insurance and Occupational Pensions (EIOPA) and member of their Boards of Supervisors. I am also member of the European Systemic Risk Board (ESRB), and member of the Basel Committee.

#### *2. Please highlight the main aspects of your European and international professional experience.*

My international experience started in 1984, when I took over the position of Banque de France representative in New York (until end of 1985). I very much appreciated the interaction with foreign central banks and supervisory authorities and I then seized all possible opportunities to develop the European and international dimension in my

responsibilities.

As a result, when I came back to the French supervisor, I became member of numerous international and European committees, including the European Group de contact (late 80s), the Banking Supervisory Committee (early 90s) and the Basel Committee for Banking Supervision (1993). I chaired several working groups, including the off-balance-sheet working group of the Basel Committee, in charge of accounting, reporting, disclosure of derivatives (1993-1996).

Between December 1996 and October 2003, I was Deputy Secretary General of the Basel Committee (until July 1998) and Secretary General of the Basel Committee. I was the head of the team in charge of supporting the work and preparing the decisions of the Basel Committee. My main accomplishments in this position were the development of the Basel 2 regulatory framework (covering the simple standardised approach and the sophisticated model-approaches for credit and market risks) as well as the significant enhancement of the cooperation between the member countries of the Committee and the other countries, starting with the EU non-member countries. In this position as well I chaired a number of working groups: Models Task Force, Corporate Governance Working Group, Liaison Group (between Basel Committee countries and other countries).

As Secretary General of the Commission bancaire, I was elected Vice-Chair (2004-2006) and Chair (2006-2008) of the Committee of European Banking Supervisors (CEBS).

As Secretary General of the French Prudential Supervision and Resolution Authority, I am a member of the Management Board of both the European Banking Authority (EBA) and of the European Insurance and Occupational Pensions (EIOPA) and member of their Boards of Supervisors. I am also member of the European Systemic Risk Board (ESRB), and member of the Basel Committee.

Between 2007 and 2013, I was member of the audit committee of a European institution, the European Investment Bank.

3. *What are the most important decisions to which you have been party in your professional life?*

Among the important decisions I took were:

- The decision, starting in 2004, to enhance the quantity but also, more importantly, the quality of banks' own funds, first in France, and as soon as I took over the CEBS Chairmanship, at the European level. I called for and obtained a mandate from the European Commission to work on this issue; and between 2006 and 2008, several reports were produced by the CEBS flagging lack of consistency and weaknesses in the national definitions of own funds.

- I also decided to put the bar very high regarding banks' valuations and provisioning of the market products hit by the crisis. During this period of time, the French practice that I promoted at the CEBS level, was to identify, for each category of products, the highest level of provision among market participants, and make it a constraint for all banks. This practise prevented forbearance and resulted in early, robust provisioning.

- More recently, in early 2010, during the merger of the French banking and insurance



supervision, I put a very strong focus on the quality of the management of the staff of the new Autorité de contrôle prudentiel et de résolution (ACPR). It was all the more important as the insurance industry and the insurance supervisors had expressed concerns regarding the merger. I considered that it was of upmost importance to rapidly create the conditions for strong team building, in order to leverage the expertise of both sides and immediately establish a reputation of safety and soundness for the French financial sector. To a large extent, it is similar to what has to be done for the SSM, to create the appropriate blend of the different cultures, in order to establish a truly unified European approach, which will enable a fruitful interaction between the staff located in Frankfurt and in the national supervisory authorities.

4. *Do you have any business or financial holdings or any other commitments which might conflict with your prospective duties, and are there any other relevant personal or other factors that need to be taken account of by the Parliament when considering your nomination?*

No

### **B. Financial supervision**

5. *What would be the guiding objectives you will pursue during your five-year mandate as Chair of the Supervisory Board?*

First, I will get the management style right from the very beginning, in particular because the SSM requires a much stronger integration of the central and national supervisory teams than the monetary policy or other functions of the ECB. I will in particular establish a special training/support program for the heads of the joint supervisory teams, in charge of the direct supervision of the significant banks. They are the people facing the most difficult managerial challenge: create efficient supervisory teams with decentralized staff. Their role is key in the success of the SSM.

Turning now to supervision, I think that the single supervisory mechanism should start a “new age” for supervision in Europe, acting under the aegis of the ECB, in full respect of the separation principle between monetary policy and banking supervision. The SSM will be staffed with high quality, very European-minded supervisors recruited through a competitive process. This will ensure that the ECB is able to lead the supervisory process and work efficiently with national supervisors, which are a key component of the SSM. I see this situation as a great opportunity to enhance the quality of supervision, to identify and implement the best supervisory practices as well as to be ambitious and innovative.

I think that achieving the integration of the largest supervisory authority in the world, in the “global community” of banking supervisors, at the important position that it should have, is also of upmost importance. This integration will have to be first rolled-out, vis-à-vis the institutions of the European System of Financial Supervision: the EBA, the two other agencies as well as the European Systemic Risk Board - ESRB. At the global level, a careful attention will have to be paid to the role of the SSM in the Basel Committee on Banking Supervision and the Financial Stability Board, to ensure that the emergence of the SSM strengthens the “voice” of Europe in international fora.

And last but not least, I am fully aware that the European Parliament has legitimate

expectations, in terms of accountability and transparency. Meeting those expectations will be a very high priority in my agenda. I am fully committed to exercise my responsibilities in full compliance with the Inter-Institutional Agreement, so as to ensure open and transparent exchanges with the European Parliament.

6. *How can the competitive disturbances that have developed following the crisis and rescue measures taken by the governments and central banks of the Member States be eliminated?*

As the question is very broad, I will focus my answer on how we can ensure that the competitive disturbances following public support can be eliminated. During the crisis, to address the risks to financial stability in the EU and reverse the market fragmentation that was setting in, public authorities have taken significant steps to support the financial system. To remove the competitive disturbances as a result of this support, it is important that the future system caters for the possibility of resolving failing institutions in an orderly manner, i.e. it is not about bail-out but bail-in. To this end, a robust Single Resolution Mechanism is an indispensable and necessary complement to the SSM. A robust SRM should have at its centre a strong and independent single resolution authority that can act evenly across countries and take decisions in the European interest. And it should have adequate powers, tools and financial resources to resolve institutions swiftly and effectively, based on a harmonised toolkit provided for by the Bank Recovery and Resolution Directive (BRRD). As part of this EU toolkit, bail-in will be an important instrument to resolve banks without exposing the taxpayers to losses and to ensure that risk is priced properly, while not endangering financial stability thanks to clear and predictable provisions.

7. *How can financial institutions be forced/ incentivised to reduce their risk appetite?*

The SSM will ensure compliance with the prudential rules for financial institutions as set out in the EU single rulebook. Where deemed necessary and based on these harmonised European rules, the SSM has supervisory powers to require a financial institution to take the necessary prompt corrective measures to address relevant problems at an early stage, thereby reducing a financial institutions risk appetite.

8. *What do you think of the financial supervisory draft legislative proposals currently debated in the European Parliament and the Council on the Banking Union and the single rulebook, namely the Single Resolution Mechanism, the Bank Recovery and Resolution Directive (BRRD), and the revision of the Deposit Guarantee Schemes Directive?*

The SSM Regulation, the Single Resolution Mechanism, the Capital Requirements Directive and Regulation (CRR/CRDIV), the Bank Recovery and Resolution Directive (BRRD) and the Deposit Guarantee Schemes Directive (DGSD) will together lead to the creation of a harmonised framework for supervision and resolution in the EU. These legislative files are at the core of establishing a level playing field in the EU. The establishment of the SSM and SRM are important to reinforce the way both supervision and resolution are conducted.

I understand that the trilogue negotiations on the BRRD are progressing well. It is important that these negotiations are concluded swiftly and an agreement is reached by the end of this year. The Directive will provide national authorities with harmonised

resolution powers and tools to orderly resolve banks across the EU. It is also a prerequisite for the Single Resolution Mechanism.

The Single Resolution Mechanism is a key complement to the Single Supervisory Mechanism. Whilst the SSM will become fully operational in November next year, I believe it is crucial to also proceed swiftly to establish a single system, single authority and single fund for resolution, which should be in place at the start of 2015. All legislators must live up to their responsibility to create a well-functioning Banking Union.

Although the third element of a fully-fledged Banking Union is the establishment of a common system of deposit protection, realistically this is a more distant goal. A first important step should be taken with the prompt adoption of the Commission's proposal to amend the Deposit Guarantee Schemes Directive. I welcome that the trilogue negotiations have re-started in parallel with the BRRD negotiations, in view of their conclusion by year-end. This Directive will further harmonise and strengthen national schemes, which will be important to increase confidence and reduce the risks of financial fragmentation that result from contagion fears.

9. *In particular, what are your views about the introduction of the bail-in provisions in the BRRD?*

It will be important that all necessary instruments -including the bail-in tool- are at the disposal of the SRM. Bail-in will be one important instrument to resolve banks without exposing the taxpayers to losses. Having the bail-in tool in place will contribute towards legal certainty, consistency and predictability, thus avoiding ad hoc solutions. For these reasons, an earlier introduction than 2018 of the bail-in tool would be advisable.

10. *What are your views about the proposal for a Single Resolution Mechanism, in particular in terms of scope, decision-making structure, composition and voting modalities of the Single Resolution Board, establishment and financing of a Single Resolution Fund, establishment of a backstop for the Fund, trigger for resolution?*

The SRM is a necessary complement to the SSM. It is important that the levels of responsibility and decision-making for supervision and resolution are aligned at European level in order to achieve a well-functioning Banking Union. I welcome the Commission's proposal for the Single Resolution Mechanism. This adequately reflects Europe's priority in completing Banking Union. I support a broad scope, for the Single Resolution Mechanism encompassing all credit institutions established in Member States participating in the Single Supervisory Mechanism. The decision-making structure of the "Board" should ensure swift and timely decision-making. In terms of composition, no national authority should have a veto. The establishment of a Single Resolution Fund is essential to the mechanism. This should be financed by ex-ante risk-based contributions and be complemented by ex post contributions where necessary. A temporary, fiscally neutral, public backstop should also be available for the Single Resolution Fund.

Regarding the trigger for resolution, the supervisor is best placed to assess if a bank is failing or likely to fail. The same applies regarding the criterion if there is a reasonable prospect that any alternative private sector or supervisory action would prevent the failure. If the supervisor assesses that these conditions are fulfilled, the resolution authority will decide if a resolution action is necessary in the public interest and, if so, initiate

resolution. Should the supervisor/the ECB be solely competent to trigger the entry into resolution? At this stage, I am not fully convinced; it is a delicate question. In any case, one could also foresee a possibility for the Single Resolution Board or the Commission to request the supervisor to make an assessment of whether the bank is failing or not.

*11. What do you see as the most pressing issues in financial services legislation which remain to be completed?*

The Bank Recovery and Resolution Directive (BRRD), Deposit Guarantee Schemes Directive and Single Resolution Mechanism are clearly the most pressing pieces of financial services legislation to be completed. That said I welcome that the Commission will shortly adopt a legislative proposal on EU bank structural reform in order to ensure a harmonised framework for the EU. Consistent rules are also important to prevent regulatory arbitrage and the fragmentation of the single market for financial services. I would welcome a rapid agreement on Omnibus II as this, together with Solvency II, would create a long overdue harmonisation of insurance regulation, based on a risk-based prudential regime. With regard to the MiFiD review I hope that the negotiations will progress swiftly and an agreement can be reached by the end of this year. Furthermore I welcome the Commission's proposal on Money Market Funds.

*12. What would you recommend to strengthen the links between macro and micro supervision?*

The range of systemically important banks has broadened, with the increase in banks' average size and of the channels of contagion and interconnection within the system. Furthermore, there is much more awareness today than there was in the past of the potential cyclical impact of traditional, risk based, supervisory policy. Therefore, I support a close link between micro-prudential and macro-prudential supervision. However a number of challenges exist. Macro-prudential supervision is a relatively new and still untested policy area. The range of potentially usable policy instruments is broad. The analysis on the transmission mechanism of macro-prudential tools must be pursued further. It is clear that the SSM Regulation assigns to the new supervisory authority significant competences and responsibilities in the macro-prudential area. Therefore, it is my intention to develop this area thoroughly so that it can be taken into account fully in actual policy decisions.

### **C. Setting up and institutional architecture of the SSM**

*13. How will you ensure that monetary and supervisory policies are strictly separated, in particular in terms of staff, reporting lines and career paths in the ECB? What concrete measures will you take in this regard?*

The effective separation of bank supervisory decisions and monetary policy is essential. That is reflected in the SSM Regulation, notably through the creation of a separate Supervisory Board. The supervisory departments in the ECB will be separate and dedicated to the supervisory work, functionally reporting to the Supervisory Board Chair. A set of internal rules will separate functions related to the supervisory sphere from those pertaining to monetary policy also at working level drawing on the ECB's documents and records management systems and the ECB's Confidentiality Regime. Thanks to all these safeguards, the conduct the ECB's supervisory tasks will not be affected by the ECB's

responsibilities for monetary policy aimed at safeguarding price stability and vice-versa.

Separate career paths are neither foreseen by the SSM Regulation nor required to ensure an effective separation of monetary policy and supervisory functions. For example, between the ACPR and Banque de France, internal mobility is allowed (and even encouraged) and does not affect the strict functional separation of monetary policy and banking supervision. Internal mobility is not only an important tool for the professional development of staff but it fosters also a common corporate culture and helps shaping a flexible organisation with adaptable human resources. The flow of information will be organised in a way to support the separation principle and all staff members in line with the ECB's confidentiality and ethics rules should observe this accordingly irrespective of potential internal mobility.

*14. How would you ensure that the planned asset quality review covers the whole part of the banking system under the supervisory responsibility of the SSM and not only the 130 institutions cited in the note regarding the comprehensive assessment? What arrangements, including the framework as foreseen in Article 6 of the ECB regulation, could be made to guarantee the coherence with the exercises carried out by the EBA and other supervisory authorities in the EU?*

The comprehensive assessment will cover 128 banks in the euro area covering around 85 per cent of total banking assets as requested in Article 33 para 4 of the SSM Regulation. The ECB is already coordinating closely with the EBA. The EBA issued a recommendation to all EU national authorities on the conduct of asset quality reviews (AQR) in 2013, but will not conduct its own exercise. The exercise is fully in line with the timeline and exercise of the ECB and provides common definitions for example on non-performing loans and forbearance. On completion of the balance sheet assessment the EBA in close cooperation with the ECB will conduct a stress test. As stipulated in Article 6 para 5b the ECB may decide at any time to exercise direct supervision on less significant banks, upon its own initiative, after consulting with national authorities or at the request of the national supervisory authority. Such a decision may be taken to ensure consistent application of the high supervisory standards the ECB is upholding.

*15. In the absence of common backstop mechanisms and in order to ensure a smooth transition to a full-fledged Banking Union, do you have any views regarding the measures to be taken in the case that potential needs for capital arise from the asset quality review?*

Credibility is crucial to the success of the Comprehensive Assessment. To underpin this, a thorough and robust methodology will be employed. However, carrying out a thorough and stringent exercise will in itself not be sufficient to dismiss the perception that European banks may have losses hidden on their balance sheets. Without credible backstop commitments in place in advance of the conduct of the comprehensive assessment, the outcome of the exercise will almost certainly be negatively perceived by market participants. The 15 November 2013 ECOFIN Council has reiterated the commitment of the June 2013 European Council that "all Member States participating in the SSM implement appropriate arrangements, including the establishment of national backstops ahead of the completion of this exercise". Appropriate backstops to underpin the credibility of the Comprehensive Assessment should now be prepared in a timely manner.

16. *Would you consider that the taking up of the supervisory tasks by the ECB could be delayed depending on the outcome of the asset quality review?*

We are on schedule with our preparatory work. The ECB is committed to deliver on its supervisory responsibilities one year after we have obtained the legal competencies for supervision, which will be in November 2014.

17. *How do you see the relation and balance of powers with national supervisors? In particular, how will you ensure full access to information that is collected at national level, both when dealing with banks directly supervised by the ECB and when overseeing supervision carried out by the national authorities?*

The Single Supervisory Mechanism (SSM) will provide a single system of supervision across the Banking Union, with the ECB as the central authority. In line with the subsidiarity principle, significant banks will fall under the direct supervision of the ECB and less significant banks will fall under the indirect supervision of the ECB. Day-to-day off-site supervision of significant banks will be the responsibility of Joint Supervisory Teams (JST). The JST will operate under the management of a JST Coordinator working for the ECB and will consist of supervisors coming from various countries. On-site supervision will also be performed by teams composed of supervisors coming from different Member States. This approach ensures that we incorporate the local existing expertise at a central level, while at the same time ensuring diversity regarding nationality to avoid any national bias.

Supervision of the other (“less significant”) banks by the ECB will be indirect, i.e. it will rely on the national competent authorities for day-to-day decisions. The exclusion of the less significant banks from direct supervision by the ECB does not mean that those banks will be out of the ECB’s supervisory reach. The “singleness of the SSM” is ensured by the attribution to the ECB of a general oversight over the functioning of the system, as well as of the following important powers as regards the supervision on less significant banks. First, the ECB will have access to the data concerning all credit institutions. Second, national supervisory authorities will have to abide by ECB regulations, guidelines and general instructions and be subject to a broad oversight power of the ECB over the functioning of the SSM. Third, to ensure consistent application of supervisory standards, the ECB may decide at any time to exercise direct supervision over less relevant credit institutions, upon its own initiative after consulting with national authorities or at the request of the national supervisory authority. The Supervisory Board has the oversight of the functioning of the system as a whole.

18. *How do you see the role of the EBA in the SSM architecture? How will you ensure good cooperation with them?*

As stipulated in the SSM Regulation, the SSM shall cooperate closely with the European System of Financial Supervision (ESFS) and the European Supervisory Authorities. More specifically, the ECB is already cooperating closely with EBA on the design/methodology and timing of the upcoming stress test and the development of common supervisory practices (so-called supervisory handbook). However, the creation of the SSM will not alter the role of EBA which retains its responsibilities throughout the Internal Market.

19. *How do you see the cooperation between the EBA and the ECB in international fora?*

As already mentioned before, the SSM will neither impinge on the role of the EBA in the development of regulatory policy, nor alter the EBA's role in international fora.

20. *How do you see the relation with non-participating Member States and their involvement in the process?*

As stipulated in Article 26 of the SSM Regulation, the Supervisory Board shall perform its duties in the interest of the Union as a whole. Given this common goal, the SSM will ensure good collaboration with and adequate involvement of non-participating Member States. To this end, together with the involved national competent authorities we are currently developing the SSM Framework Regulation that -among other things- describes the procedures for cooperation within the SSM and with authorities outside of the SSM. As regards the cooperation with non-EU supervisory authorities or supervisory authorities from non-participating Member States, the ECB will build on the present cooperative arrangements and concepts such as colleges of supervisors and Memoranda of Understanding (MoU's).

21. *What do you see as the most important risks and challenges facing the SSM?*

There are a number of risks and challenges facing the SSM. First, completing work in all priority areas is essential to ensure the new supervisory tasks can begin in November 2014. Second, managing the transition phase prior to ECB assuming supervisory tasks will be indeed a challenge. During this period, as supervisory responsibility remains with the national competent authorities, the ECB involvement will be in general limited to comprehensive information gathering and sharing. The period will be used to discuss supervisory planning as well as supervisory actions taken by the National Competent Authorities (NCA) and to transfer knowledge on the supervised institutions. Third, creating the conditions for a fruitful interaction between "centre" and the national competent authorities will be essential. Fourth, integration with the global banking community will also be of the utmost importance. Fifth, the risk of misalignment of supervision and resolution responsibilities in the early phase of the SSM will be important to overcome. I encourage swift progress on the Single Resolution Mechanism to ensure this risk does not materialise.

**D. Democratic accountability and transparency of the SSM**

22. *How do you see the European Parliament (EP) oversight over the ECB acting as supervisor?*

The SSM Regulation provides for a clear and substantial framework for the accountability of the SSM vis-à-vis the EP. As provided for in the Regulation, the ECB and EP have come to an Inter-Institutional Agreement (IIA) which outlines the detailed practical arrangements of this framework. I am fully committed to build up a robust relationship of based on transparency and trust to ensure an effective and accountable European supervision for the benefit of European citizens.

23. *How do you intend to implement the Interinstitutional agreement concluded between the ECB and the EP? In particular, what do you think about the regular hearings, including with ECB senior staff, the confidential meetings, the information about the meetings of the supervisory board, and the cooperation in case of investigations?*

I am fully aware that the European Parliament has legitimate expectations, in terms of accountability and transparency. Meeting these expectations will be a very high priority in my agenda. I am fully committed to exercise my responsibilities in full compliance with the Inter-Institutional Agreement, so as to ensure open and transparent exchanges with the European Parliament

If selected, I understand that my first meeting with the European Parliament should take place on February 2014, to provide a quarterly progress report.



## RIŻULTAT TAL-VOTAZZJONI FINALI FIL-KUMITAT

<b>Data tal-adozzjoni</b>	5.12.2013
<b>Riżultat tal-votazzjoni finali</b>	+: 29 -: 0 0: 1
<b>Membri preżenti għall-votazzjoni finali</b>	Marino Baldini, Burkhard Balz, Jean-Paul Besset, Sharon Bowles, Udo Bullmann, George Sabin Cutaş, Derk Jan Eppink, Diogo Feio, Markus Ferber, Elisa Ferreira, Ildikó Gáll-Pelcz, Jean-Paul Gauzès, Sven Giegold, Sylvie Goulard, Liem Hoang Ngoc, Gunnar Hökmark, Philippe Lamberts, Werner Langen, Astrid Lulling, Hans-Peter Martin, Marlene Mizzi, Sławomir Nitrás, Ivari Padar, Anni Podimata, Antolín Sánchez Presedo, Olle Schmidt, Theodor Dumitru Stolojan, Ivo Strejček, Ramon Tremosa i Balcells, Corien Wortmann-Kool
<b>Sostitut(i) preżenti għall-votazzjoni finali</b>	Herbert Dorfmann, Marisa Matias, Andreas Schwab, Emilie Turunen