

PUBLIC CONSULTATION
DRAFT ECB SSM FRAMEWORK REGULATION
TEMPLATE FOR COMMENTS

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Please separate your comments per issue, citing the relevant article of the draft Framework Regulation where appropriate and indicating whether you are proposing an amendment, clarification or a deletion. If you require more space for your comments, please copy page 2.

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Name	Unicredit	Country	ITA
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COMMENTS ON THE DRAFT ECB SSM FRAMEWORK REGULATION

Issue	Article	Comment	Concise statement why your comment should be taken on board
Decisions on internal model	1 (1) (f)	Clarification	<p>One of the supervisory decision process not detailed in the framework is the approval of internal models or their changes. It includes also aspects regarding the role of the Holding Company and the approvals of models applicable to subsidiaries in non-EU States, but belonging to a Group based in a EU Member States (MS).</p> <p>We would deem this topic to be supplemented to fully implement Article 4 of the proposed regulation, unless it is going to be dealt with in the forthcoming Supervisory Manual.</p>
Working of Joint Supervisory Team	3	Clarification	We suggest clarifying the working rules of the Joint Supervisory Team (JST), in particular all the decision making process; for instance it is worth specifying in case of disagreement between the

			members of the JST if the decisions on the proposals submitted for approval to the supervisory board is taken by the head of the JST or via a majority rule.
Joint Supervisory Team	6	Clarification	We would like to have clarifications if in those countries where the NCA is not the central bank, representatives of both authorities are member of JST
How is Supervision performed at group level	8	Clarification	<p>PRIORITY FOR UNICREDIT GROUP</p> <p>In UniCredit view how the supervision of banking groups is going to be performed is not defined sufficiently clear. For instance: to what extent supervision is run at consolidated or entity level, and the consequent role envisaged for the parent company. In this respect, some articles do not sound always entirely consistent as in the framework both the supervised entities as well as the supervised group are mentioned. We would deem relevant to have clearly specified in the SSM framework</p> <p>Whether supervision is referring to each supervised entity belonging to the group or to the group as a whole, meant as an overall entity.</p>
Management of College of Supervisors	9	Clarification	In the context of the Colleges of Supervisors, we would suggest clarifying the “powers” of observers. Similarly, we would suggest a clarification with reference to the Crisis Management Group, that is currently in place for the G-SIBs and which we expect to be extended to all banks by the Bank Resolution and Recovery Directive
Right of establishment of credit institutions within the SSM	11(1), 12(1)	Amendment	Notification procedures for internal passport differ for establishment of a branch (NCA of participating MS) and provision of services (ECB), adding a layer of unnecessary complexity. We would suggest having the same notification procedure in both cases.
Language regime: communications from	23 (3)(iii)	Amendment	We suggest to require the NCA to provide an English translation in any case, not only in case of (a) to (c).

NCA			
Language regime: communications from banks	24 (1)	Amendment	In all the cases where a supervised entity sends documents not in English to the ECB, then there should be an English translation.
Right to be heard	31 (3)	Amendment	We suggest to extend the timeline from 15 to 30 days and clarify that the party has the right to receive a reply to its comment on the facts and objections. The best option would be via a meeting, otherwise in writing or via conference call.
Reporting of breaches	36, 37, 38	Clarification	We would suggest to provide additional details regarding the protection of who reports breaches, in particular if they are employees of the involved bank.
Scope of Supervision	49	Amendment	<p>We would recommend to publish on ECB website not only the list of supervised groups but also the related subsidiaries under direct supervision.</p> <p>Furthermore, we would appreciate, if the scope of supervision is clarified, i.e. if all the entities are consolidated according to an accounting approach or to a prudential one (the latter being the rule applied in some jurisdictions).</p>
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Time limits	86	Clarification	Time limit specified in para. 2 (at least 15 working days) differs from that in Art. 15 para. 2 (at least 10 working days).

Relationship ECB - NCAs	90	Clarification	<p>PRIORITY FOR UNICREDIT GROUP</p> <p>We would suggest a clarification in relation to the role of the NCA, e.g. "day-by-day assessment", unless such topics are going to be dealt with in the Supervisory Manual.</p>
NCAs draft decisions	91 (2)	Amendment	We would suggest to delete the second section to smooth the working practices and to avoid the risk that the JST would manage a lot of irrelevant documentation.
Requests, notifications or applications by significant supervised entities	95	Amendment	<p>PRIORITY FOR UNICREDIT GROUP</p> <p>All the communications from the ECB to the supervised entities belonging to a directly supervised group and vice versa, should be channelled via the parent company, at least for those related to the JST activities, as for instance, envisaged in article 147.</p> <p>In this regard, the role of the parent company should be clarified, above all the reconciliation with the jurisdictions where the holding is ruled to have an effective steering and control role.</p>
Setting macroprudential buffers	104 (3)	Amendment	In case the NCA does not accept the ECB point of view, it should clearly disclose the underlying rational.
Procedure for penalty payment	129 (3)	Amendment	In the last sentence, we suggest to replace "may be combined" by "shall be combined".
Ad-hoc requests for information under Article 10 of the SSM Regulation	139	Amendment	<p>PRIORITY FOR UNICREDIT GROUP</p> <p>Please see art. 95 above</p>

Regulatory Reporting	140	Clarification	In our understanding, the article does not clarify who is the relevant authority for consolidated regulatory reporting, i.e. the ECB or the NCA of the mother company.
On – site audit	144	Clarification	We would appreciate more clarity on the mechanisms adopted by the ECB to ensure consistency in auditing methodology and procedures, above all when the head of the inspection team is not an ECB member.
On – site audit	145	Amendment	The notification time (at least 5 working days) could be too short to prepare for an on-site inspection.
Cooperation with Authorities out of SSM	152	Clarification	PRIORITY FOR UNICREDIT GROUP In case a Member State has a Memorandum of Understanding with a State outside the Eurozone, we would appreciate a clarification on whether the agreement could be valid for the supervision of all banks, not only those in the first country
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