



EUROPEAN CENTRAL BANK

EUROSYSTEM



## FEEDBACK STATEMENT

### Responses to the public consultation on a draft Regulation of the European Central Bank

establishing the framework for cooperation within  
the Single Supervisory Mechanism between the  
European Central Bank and national competent  
authorities and with national designated authorities  
(SSM Framework Regulation)

In 2014 all ECB  
publications  
feature a motif  
taken from  
the €20 banknote.

April 2014

This document is intended to give an overview of the comments received during the public consultation on the draft SSM Framework Regulation, and to present an assessment of those comments. It explains the amendments made to the SSM Framework Regulation as a result of the public consultation. As such, this document does not prejudge the future interpretation of the provisions laid down the SSM Framework Regulation. Moreover, only the Court of Justice of the European Union can give a legally binding interpretation of provisions of EU law.

This document consists of four parts:

- 1 Overview and analysis of responses
- 2 General comments
- 3 Comments on specific parts of the draft Framework Regulation
- 4 Amendments made to the draft Framework Regulation

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# 1 OVERVIEW AND ANALYSIS OF RESPONSES

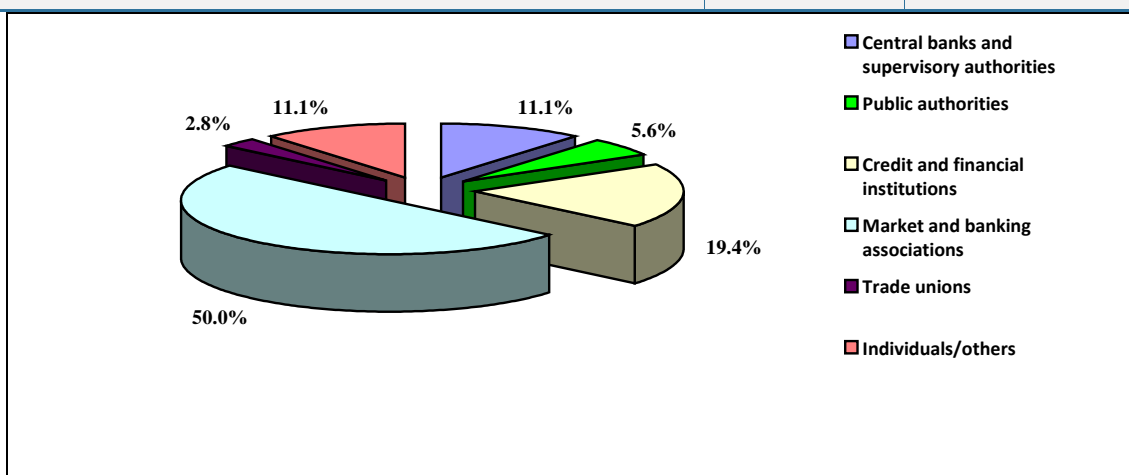
1. Article 6(7) of the Regulation on the Single Supervisory Mechanism<sup>1</sup> (SSM Regulation) provides that ‘the ECB shall, in consultation with national competent authorities, and on the basis of a proposal from the Supervisory Board, adopt and make public a framework to organise the practical arrangements for the implementation of [Article 6 of the SSM Regulation]’. Article 33(1) of the SSM Regulation states that the framework should be published by 4 May 2014.
2. On 7 February 2014 the European Central Bank (ECB) therefore launched a public consultation on a [draft Regulation](#) establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities (NCAs) (hereinafter the ‘**draft SSM Framework Regulation**’). In addition to soliciting written comments, the ECB gave industry participants the opportunity to provide further input at a public hearing. This was held at the ECB in Frankfurt on 19 February 2014 in the presence of the Chair and the Vice-Chair of the Supervisory Board, Danièle Nouy and Sabine Lautenschläger. The public consultation ended on 7 March 2014. In completing the draft SSM Framework Regulation, the ECB gave due consideration to all comments received, also taking further input from within the SSM into account.
3. This feedback statement presents an overall assessment of the comments received, with a view to addressing the various issues raised in the contributions. The amendments to the draft SSM Framework Regulation arising from the responses are summarised in Table 2.
4. A total of [36 responses](#) were received, mostly in English, from a broad range of relevant stakeholders, including central banks and supervisory authorities, public authorities, credit and financial institutions, market and banking associations, trade unions and individuals. Replies came from euro area Member States as well as from non-euro area Member States. Table 1 shows the breakdown of responses by type of contributors to the public consultation.

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<sup>1</sup> Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63).

**Table 1**

Type of contributor	Number	Percentage
Central banks and supervisory authorities	4	11.1%
Public authorities	2	5.6%
Credit and financial institutions	7	19.4%
Market and banking associations	18	50.0%
Trade unions	1	2.8%
Individuals/others	4	11.1%
<b>Total contributions</b>	<b>36</b>	<b>100%</b>



5. A proposal for an SSM Framework Regulation was transmitted by the Supervisory Board to the Governing Council of the ECB on 10 April 2014. The SSM Framework Regulation adopted by the Governing Council on 16 April 2014 (hereinafter the ‘**SSM Framework Regulation**’) was published on the ECB’s website<sup>2</sup> together with this feedback statement.

## 2 GENERAL COMMENTS

### 6. Scope of the SSM Framework Regulation

The SSM Framework Regulation covers the requirements under Article 6(7) of the SSM Regulation as well as the more general aspects of the cooperation between the ECB and NCAs within the SSM, which are of direct relevance to credit institutions. Other rules, such as the rules on governance, decision-making procedures within the ECB, the separation of the ECB’s supervisory tasks from its monetary policy function and supervisory fees are not

<sup>2</sup> <http://www.ecb.europa.eu/ssm/consultations/html/framework.en.html>

addressed in the SSM Framework Regulation, but are, or will be, set out in separate ECB legal acts.

## 7. **The SSM and material EU law**

As pointed out in the explanatory report to the public consultation, the SSM Framework Regulation, which implements a number of provisions of the SSM Regulation, has to be read and applies in conjunction with the provisions of the Treaty on the Functioning of the European Union (TFEU) (including the Statute of the ESCB and of the ECB) and with relevant EU secondary legislation, including the Capital Requirements Regulation<sup>3</sup> and Directive<sup>4</sup> (the CRR / the CRD IV) and the regulatory and Implementing Technical Standards developed by the European Banking Authority (EBA) and adopted by the European Commission.<sup>5</sup> When performing its supervisory tasks, the ECB is subject to those provisions and will act in accordance with them. Where the relevant material rules are laid down in directives, the ECB should apply the national legislation transposing those directives. The definitions and other material rules provided for in relevant EU law also apply to the SSM Framework Regulation. Against this background, the SSM Framework Regulation, which mainly deals with the procedures of cooperation between the ECB and the NCAs, does not need to repeat the principles, rules, rights and obligations established in relevant EU law.

For example, the definitions laid down in the CRR / the CRD IV or in the SSM Regulation (e.g. ‘SSM’, ‘participating Member States’) apply also to the SSM Framework Regulation, unless otherwise specified. In the same way, time limits established in the CRR / the CRD IV will be applied by the ECB and the NCAs within the SSM. General principles of EU law, such as the principle of proportionality, also apply.

## 8. **Review of supervisory decisions**

The supervisory decisions taken by the ECB in the exercise of its supervisory tasks can be challenged before the Court of Justice of the European Union (CJEU) under Article 263 TFEU. As mentioned in paragraph 2 above, the SSM Framework Regulation does not need to include a reference to Article 263 TFEU since a party’s right to challenge an ECB decision that is of direct and individual concern to it derives directly from the Treaty. In

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<sup>3</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, (OJ L 176, 27.6.2013, p. 1).

<sup>4</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

<sup>5</sup> See Article 4(3) of the SSM Regulation.

addition, without prejudice to the right to bring proceedings before the CJEU, ECB supervisory decisions may be subject to an internal administrative review before the Administrative Board of Review under Article 25(5) of the SSM Regulation.

#### 9. **SSM supervisory model**

The supervisory assessment principles applied within the SSM will be explained in a guide to supervisory practices, which the ECB will publish in accordance with the Interinstitutional Agreement between the European Parliament and the ECB.<sup>6</sup> This guide will also give further details on how the ECB will exercise its supervisory tasks on a daily basis. The SSM Framework Regulation lays down general organisational principles for the supervision exercised jointly by the ECB and NCAs, rather than detailed operational rules.

## 3 **COMMENTS ON SPECIFIC PARTS OF THE SSM FRAMEWORK REGULATION**

### 3.1 **ORGANISATION OF THE SSM**

10. **Joint Supervisory Teams** (JSTs) are at the core of the supervision of significant supervised entities. While the SSM Framework Regulation creates a legal basis for the establishment of such JSTs, it neither sets out detailed rules on, nor defines the criteria for, their composition. These aspects touch upon the internal organisation of the ECB and NCAs, which are beyond the scope of the SSM Framework Regulation.

As laid down in Article 3 of the SSM Framework Regulation, there will be one JST for each significant supervised entity or significant supervised group. The methodology developed by the ECB on the basis of Article 6 of the SSM Regulation, as specified in Part IV of the SSM Framework Regulation, stipulates that the significance of a supervised group will be determined at the highest level of consolidation within the participating Member States. This means that there will only be a single JST for all supervised entities belonging to a supervised group if that group has its head office in a participating Member State. Accordingly, a group that has its head office (i.e. the ‘EU parent institution’ within the meaning of Article 111 of the CRD IV) in a non-participating Member State may have subsidiaries in several participating Member States that are treated separately because they do not constitute a supervised group within the meaning of the SSM. These subsidiaries, depending on their size and on whether they themselves have subsidiaries and/or branches in participating Member States, may thus constitute one or more significant supervised entities and/or significant supervised groups within the SSM. It follows that there may be

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<sup>6</sup> 2013/694/EU: Interinstitutional Agreement between the European Parliament and the European Central Bank on the practical modalities of the exercise of democratic accountability and oversight over the exercise of the tasks conferred on the ECB within the framework of the Single Supervisory Mechanism (OJ L 320, 30.11.2013, p. 1).

more than one JST in charge of supervising significant entities that belong to the same group at EU level. Even if this is the case, nothing prevents the same ECB and NCA staff members from being involved in more than one JST. Having the same supervisors working in the JSTs that are in charge of the significant supervised entities and/or groups that have the same parent undertaking at the EU level will ensure the consistency of supervisory outcomes.

11. The notion of **supervised group** also gave rise to a number of comments, in particular with regard to the supervision of groups with **cross-border activities**. As mentioned above with respect to the establishment of JSTs, the ECB will supervise groups that are considered significant at the highest level of consolidation within the participating Member States. In this context, the ECB will supervise a group on a consolidated basis either (i) if the EU parent institution is established in a participating Member State (in which case the ECB will be the consolidating supervisor); or (ii) if there is a parent institution in a participating Member State. Furthermore, the ECB will only directly supervise entities that are (i) significant (either on a solo basis or because they are subsidiaries of a significant supervised group); and (ii) credit institutions as defined under point 1 of Article 4(1) of the CRR.<sup>7</sup> It follows that the ECB will have no supervisory power over entities that are members of a significant supervised group but that are not credit institutions, e.g. investment firms or insurance companies. The only exception to this rule is if the ECB is appointed coordinator for the supplementary supervision of a financial conglomerate pursuant to the provisions of Directive 2002/87/EC on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate.<sup>8</sup>

### 3.2 METHODOLOGY FOR ASSESSING SIGNIFICANCE

12. The **criteria for determining the significance of supervised entities** also triggered some comments, as did the applicable procedures for the classification of supervised entities in specific or exceptional cases. Moreover, there were some questions about the exact scope of direct supervision especially with regard to entities belonging to a group (with entities both in participating Member States and outside the SSM area).
13. The ECB will carry out direct supervision of significant supervised entities within the participating Member States. Supervised entities that are located in a participating Member State and are part of a significant group that has its head office in a participating Member State will all be deemed significant and therefore subject to direct ECB supervision. The

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<sup>7</sup> See Article 2(3) of the SSM Regulation.

<sup>8</sup> Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council (OJ L 35, 11.2.2003, p. 1).

SSM will not entail major changes for credit institutions in the non-participating Member States. All such credit institutions that are part of a group with a head office in a participating Member State will be subject to the consolidated supervision of the ECB (in the case of significant groups) or NCAs (in the case of less significant groups) in addition to the direct supervision at solo level by the respective NCA of the non-participating Member State.

14. The **methodology for determining the significance of supervised entities** as developed by the ECB in cooperation with the NCAs interprets and specifies the rules provided by the SSM Regulation for the different criteria of significance in a functional and appropriate way (for instance, Articles 57 and 67 of the SSM Framework Regulation). The adopted methodology is based on the SSM Regulation and provides for the required level of flexibility in applying each individual criterion for determining significance. Consequently, individual decisions on the classification of a supervised entity as significant or less significant will still require an institution-specific assessment and an ECB decision.
15. The **qualification of a credit institution as significant or less significant** may change over time. The SSM Framework Regulation sets out procedures for reviewing the classification and the potential transfer of direct supervision from the ECB to NCAs, or from NCAs to the ECB. As a rule, in order to ensure the stability of the direct supervision by the ECB, the SSM Framework Regulation provides that an entity will no longer be classified as significant if it does not fulfil any of the criteria for significance for three consecutive calendar years. This rule may be abrogated in the event of an exceptional substantial change in circumstances, such as the merger of two or more credit institutions or the sale or transfer of a substantial business division.
16. The ECB may also **take over direct supervision of a less significant supervised entity** where this is deemed necessary to ensure the consistent application of high supervisory standards. The SSM Framework Regulation sets out a non-exhaustive list of factors which might justify direct ECB supervision of a less significant supervised entity. This list comprises factors related to the supervised entity (e.g. size, interconnectedness and complexity) as well as factors directly linked to the NCAs' supervision.
17. Moreover, where particular circumstances exist, the ECB may decide on a case-by-case basis to **classify as less significant a supervised entity that would otherwise be a significant supervised entity**. However, due to the variety of potential factors that may eventually lead to such classification, no further description of such exceptional cases can be provided. However, the SSM Framework Regulation underlines the exceptional nature of such cases by clarifying that the term 'particular circumstances' should be strictly interpreted.



### 3.3 LANGUAGE REGIME

18. The legal basis for the SSM language regime is Regulation No 1 of 15 April 1958 determining the languages to be used in the European Economic Community,<sup>9</sup> which is based on Article 342 TFEU. This Council Regulation allows institutions to develop some specific practices.
19. Under Article 2 of the Regulation, documents that a Member State or a person subject to the jurisdiction of a Member State sends to institutions may be drafted in any one of the official languages selected by the sender. The reply shall be drafted in the same language. However, Article 3 provides that documents which an institution sends to a Member State or to a person subject to the jurisdiction of a Member State shall be drafted in the language of such State.
20. This is the basis for the ECB's suggestion to allow supervised entities to agree to exclusively use one official EU language in their written communication, so that the procedures can be conducted in another language than the one which would normally apply following Article 3;
21. In the same vein, the ECB and NCAs will adopt arrangements on the modalities of their internal communications within the SSM, including the language(s) to be used.

### 3.4 DUE PROCESS

22. The **due process** rules apply to ECB supervisory procedures as determined by Article 22(1) of the SSM Regulation, which does not apply to supervisory decisions related to the ECB's investigatory powers under Articles 10 to 13 of the SSM Regulation.
23. Rights of defence shall be fully respected by the ECB. Hence, as a general rule, the **right to be heard** will be granted to the parties concerned by giving them the opportunity to provide their comments in writing. The ECB may also decide to invite the parties to an oral hearing. If the ECB does not opt for such a hearing, the parties are entitled to request one.
24. Due to the very short time limits for the adoption of decisions by the ECB, the general time limit for providing comments is two weeks; however, this may be extended at the party's request. The time limit of three working days will only apply 'in particular circumstances' (in which case the ECB will have to state the reasons for this shorter time limit and for those particular circumstances) and in situations where the ECB has a very tight time limit for taking decisions (e.g. the situations covered by Articles 14 and 15 of the SSM Regulation).

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<sup>9</sup> Regulation No 1 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385).

25. For urgent decisions that appear necessary in order to prevent significant damage to the financial system, the right to be heard is not eliminated, but is granted without undue delay after the decision is adopted. The decision might then be confirmed, revoked, amended or replaced by the ECB in light of the comments received.
26. As regards **access to files**, a clarification has been made that the right of access to files should not extend to confidential information; confidential information may include internal documents of the ECB and NCAs and correspondence between ECB and NCAs.
27. Under the SSM Regulation, the ECB shall ensure that effective mechanisms are put in place for the **reporting of breaches**. Against this backdrop, the rules regarding the protection of personal data and confidentiality are similar to those contained in Article 71 of the CRD IV. National legislation transposing that article should already provide protection for employees who report breaches. Moreover, to avoid improper use of this reporting, the protection of the SSM Framework Regulation is only extended to persons making reports in good faith. However, the scope is different: the CRD IV refers only to potential breaches by supervised entities, whereas the SSM Regulation also refers to potential breaches by competent authorities.

### 3.5 SUPERVISORY PROCEDURES WITHIN THE SSM

28. The SSM Framework Regulation does not provide a list of what is considered a '**material supervisory procedure**'. Article 6(7)(c) of the SSM Regulation requires the ECB to define the procedures for the relation between the ECB and NCAs for the supervision of less significant supervised entities, in particular the cases in which NCAs are required to notify the ECB of any material supervisory procedure. Article 97 of the SSM Framework Regulation specifies which NCA supervisory procedures should be considered material (for instance, the removal of members of a management board and procedures that have a significant impact on the less significant supervised entities). As laid down in Article 97, the ECB will take into account in particular the risk situation and the potential impact on the domestic financial system of the concerned entity to further define the criteria of 'materiality' of an NCA supervisory procedure. Against this background, and in order not to prejudge the experience gained by the SSM on this issue, the SSM Framework Regulation does not set out an exhaustive list of material supervisory procedures.
29. For the **assessment of acquisitions of qualifying holdings**, the SSM Regulation requires NCAs to forward a proposal 'at least ten working days before the expiry of the relevant assessment period'. Since this time limit is very short, and considering that the SSM Regulation only sets a minimum, this time limit was extended to 15 working days.
30. In order to conduct the **fit and proper assessment** of board members following the transposition of the CRD IV, the NCAs need to receive a set of information from the credit

institutions. As this arrangement is already in place, the SSM Framework Regulation only requires the NCAs to notify the ECB.

### 3.6 ADMINISTRATIVE PENALTIES

31. The comments received on Part X (**administrative penalties**) call for a clarification of the allocation of competences between the ECB and NCAs, depending on the type of rule that a supervised entity has allegedly breached. A summary of this allocation is presented in the table below.

<b>Relevant provision of the SSM Regulation</b>	<b>Article 18(1)</b>	<b>Article 18(5)</b>	<b>Article 18(7)</b>
<b>Type of breach</b>	Directly applicable EU law, i.e. Council regulations, such as the CRR	National law (including law transposing EU directives such as the CRD IV)  Breach by natural persons (i.e. members of the management)	ECB regulation or decision
<b>Authority competent to investigate and impose a penalty</b>	ECB for significant supervised entities  NCA for less significant supervised entities	NCA for significant and less significant supervised entities  For significant supervised entities, upon the ECB's instruction to open proceedings	ECB for significant and less significant supervised entities
<b>Example(s) of breaches</b>	Breach of Pillar 1 measure	Absence of notification to the NCA of the acquisition of qualifying holdings (Article 22 of the CRD IV)	Breach of ECB regulation on fees, or of ECB decision on supervisory reporting

32. In the exercise of its supervisory tasks, including the imposition of administrative penalties and their publication, the ECB will apply all relevant material EU law, as mentioned in paragraph 7 above. As a result, the ECB will publish its decisions imposing administrative penalties in accordance with the conditions set out in Article 68 of the CRD IV. This is reflected in Article 132 of the SSM Framework Regulation.

### 3.7 SUPERVISORY REPORTING

33. Regarding **supervisory reporting**, Article 140 of the SSM Framework Regulation provides that the NCAs will always be the entry point for any submission of supervisory

data by both significant and less significant supervised entities. This is without prejudice to the ECB's competence with respect to significant supervised entities and the NCAs' competence with respect to less significant supervised entities for supervisory data. The NCAs will, as a rule, be the entry point for any submission of supervisory data. In this context, the ECB will organise the procedures relating to the collection and quality review of data reported by supervised entities subject to and in compliance with relevant EU law and the EBA's Implementing Technical Standards as adopted by the European Commission and scheduled for publication in June 2014. The SSM Framework Regulation does not refer to the categories of data that have to be sent to the ECB and is not the legal basis for additional reporting requirements. The data that credit institutions are required to report to competent authorities for supervisory purposes are currently stipulated in the CRR and the EBA Implementing Technical Standards.<sup>10</sup> Competent authorities may impose additional reporting requirements beyond the scope of these instruments subject to full compliance with the single rulebook. Any such additional requirement that the ECB may impose should be proportionate; it should be appropriate to the objectives pursued and not go beyond what is necessary to achieve them. Recital 19 of the SSM Regulation provides that nothing in the SSM Regulation should be understood as changing the accounting framework applicable pursuant to other acts of EU and national law.

## 4 AMENDMENTS MADE TO THE DRAFT SSM FRAMEWORK REGULATION

Changes to the draft SSM Framework Regulation were incorporated in the SSM Framework Regulation as adopted on 16 April 2014 as a result of the comments received during the public consultation period. The following table explains those amendments. Purely editorial changes are not listed.

Table 3 Amendments to the draft SSM Framework Regulation		
Provision	Heading	Proposed amendment
<b>Article 3</b>	Joint Supervisory Teams	Article 3(2)(b) has been slightly adjusted to take into account that relevant business units in the ECB will, in addition to the JSTs, be involved in the preparation of the supervisory examination programme.
<b>Article 4</b>	Establishment and composition of JSTs	A new paragraph 5 provides that the ECB and NCAs shall agree on the use of NCA resources with regard to the JSTs. See also Article 144.

<sup>10</sup> See Commission Implementing Regulation laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013, accessible via [http://ec.europa.eu/internal\\_market/bank/regcapital/legislation\\_in\\_force\\_en.htm#implementing](http://ec.europa.eu/internal_market/bank/regcapital/legislation_in_force_en.htm#implementing).

<b>Article 8</b>	Supervision on a consolidated basis	This article now clarifies that the ECB will exercise such supervision on a group at the highest level of consolidation within the participating Member States, i.e. where the parent undertaking is either a parent institution in a participating Member State or an EU parent institution established in a participating Member State.
<b>Article 11</b>	Right of establishment within the SSM	Paragraph 4 now ensures that, in addition to the ECB, the host NCA is also informed by the home NCA of the establishment of a branch in its Member State.
<b>Article 12</b>	Freedom to provide services within the SSM	Article 12 now stipulates that, as in Article 11, the home NCA is the entry point for the notification, both for significant and less significant supervised entities.
<b>Article 17</b>	Right of establishment and freedom to provide services in non-participating Member States	Similarly to Article 12, Article 17 sets out that the home NCA is the entry point for any notification relating to the right of establishment or the exercise of the freedom to provide services in a non-participating Member State, including for significant supervised entities.
<b>Article 21</b>	General obligation to exchange information	A new paragraph 3 ensures that NCAs regularly receive from the ECB information that is necessary for NCAs to carry out their supervisory tasks.
<b>Article 23</b>	Language regime between ECB and NCAs	Article 23 has been replaced by a provision stating that the ECB and NCAs shall adopt arrangements for their communications within the SSM, including the language(s) to be used.
<b>Article 24</b>	Language regime between the ECB and supervised entities	Article 24 now clarifies that supervised entities, natural or legal persons may agree with the ECB to exclusively use an official EU language (e.g. English) in their written communication, also with regard to ECB supervisory decisions.
<b>Article 31</b>	Right to be heard	A reference to the legal grounds relevant to the ECB supervisory decision, which the concerned party should also have a right to comment on, has been introduced.  In addition, in paragraph 4, the words 'directly and' before 'adversely' have been removed for consistency with the terms used in paragraph 1.
<b>Article 32</b>	Access to files	Article 32 has been amended to clarify that the right of access to files should not extend to confidential information, and that confidential information may include internal documents of the ECB and NCAs and correspondence between ECB and NCAs.
<b>Article 35</b>	Notification of ECB supervisory decisions	In paragraph 2, the term 'appointed' has been replaced by 'empowered by a written mandate' in line with the wording of Article 27(1).  Paragraph 4 has been amended to grant the ECB more flexibility as to the arrangements regarding

		the notification of supervisory decisions.
<b>Article 43</b>	Review of the status of a supervised entity	In paragraph 3, for the sake of clarity, a reference to the situations specified in Article 52 has been inserted regarding the ECB's review of whether the criteria for significance are fulfilled. The words 'at any time after it receives relevant information' refer in particular, though not exclusively, to the situations specified in Article 52.
<b>Articles 44 to 46</b>	Procedure for determining significance; end of direct supervision	Articles 44 to 46 have been amended to specify that, if the supervised entities to which the ECB decision shall be notified are members of a supervised group, the supervised entity at the highest level of consolidation within the participating Member States shall be the addressee of the notification, while the ECB shall ensure that all supervised entities belonging to the group are duly informed. Each supervised entity that is part of the group shall have the opportunity to make submissions in writing to the ECB before the final decision is taken.
<b>Article 48</b>	Pending procedures	A clarification has been introduced in paragraph 4 to ensure that when the ECB decides to take over a supervisory procedure, it shall specify the consequences thereof in its decision.
<b>Article 49</b>	Publication of the list of supervised entities	With a view to ensuring transparency on the perimeter of the supervised group, paragraph 1 has been amended slightly to lay down that the ECB will publish a list naming those credit institutions identified as significant supervised entities and those forming part of a significant supervised group.
<b>Article 51</b>	Significance on the basis of the size	In paragraph 2, a reference to relevant EU law with respect to accounting standards has been added, in line with the same reference in paragraph 4.
<b>Article 52</b>	Significance on the basis of size in specific or exceptional circumstances	An amendment has been made to Article 52(3) to expand the possibility to derogate from the three-year rule to include the cases covered under Article 47(2) and 47(3) and to have a more flexible approach also in respect of changes of circumstances that could justify a derogation to that rule.
<b>Article 59</b>	Significance on the basis of cross-border activities	The thresholds above which a supervised group may be considered significant on the basis of its cross-border activities have been increased: the total value of the assets of the group shall exceed EUR 5 billion and the ratio of its cross-border assets (or cross-border liabilities) to its total assets (or total liabilities) shall be above 20%.
<b>Article 78</b>	ECB decisions on application	A new paragraph 3 has been inserted to specify, in line with Article 14(3) of the SSM Regulation, that if the ECB does not take a decision within

		ten working days, the draft authorisation decision prepared by the NCA will be deemed to be adopted.
<b>Article 79</b>	Procedure for the lapsing of authorisation	Article 79 has been clarified to ensure that NCAs inform, where relevant, the ECB of the lapsing of an authorisation, following which the ECB shall, after having informed the relevant NCA and the supervised entity concerned, make such lapsing public.
<b>Article 85</b>	Notification to NCAs of the acquisition of qualifying holdings	Article 85 has been amended to further specify the procedural steps following a notification to an NCA of an intention to acquire a qualifying holding in a credit institution established in a participating Member State, in line with Article 22 of the CRD IV.
<b>Article 88</b>	Procedures for notification of decisions	The obligation for the ECB to notify the EBA of every decision to grant or withdraw an authorisation (including a lapsing of authorisation) has been inserted in a new paragraph 5.
<b>Article 97</b>	NCA material supervisory procedures	<p>In paragraph 4(a), the words ‘and on which the ECB’s views are sought’ after ‘they consider material’ have been deleted, to the effect that when an NCA, on its own initiative and in addition to the information requirements that are laid down in paragraphs 1 to 3, consider that an NCA supervisory procedure is material, it shall notify it to the ECB, whether or not the ECB’s views are sought.</p> <p>This is more in line with Article 6(7)(c)(i) of the SSM Regulation, which does not provide the possibility for the ECB to express its views on an NCA material supervisory procedure.</p>
<b>Article 108</b>	Close cooperation – legal instruments	Paragraph 6 about the liability of NCAs in close cooperation has been deleted, since liability does not need to be specified in the SSM Framework Regulation.
<b>Article 109</b>	Close cooperation – language regime	Article 109 has been amended to reflect the amendments made to Article 23.
<b>Article 116</b>	Close cooperation – decision on significance	Article 116 has been slightly amended to reflect the amendment made to Article 109.
<b>Article 126</b>	Procedural rights in sanctioning procedures	A reference to the legal provisions having been allegedly infringed by a supervised entity has been inserted in paragraph 2, to the effect that the right for such entity to make submissions in writing to the investigating unit also encompasses comments on these provisions, in addition to the factual results and objections raised against the entity.
<b>Article 129</b>	Procedural rules for periodic penalty payments	As paragraph 1 makes clear that the right to be heard applies to the imposition by the ECB of periodic penalty payments, the sentence in paragraph 3 referring to the right to be heard has

		been deleted, to avoid confusion.
<b>Article 132</b>	Publication of decisions regarding administrative pecuniary penalties	Paragraph 1 has been amended to specify that before a decision to impose an administrative penalty is published by the ECB, such decision must have been notified to the supervised entity concerned.
<b>Article 134</b>	Application of Article 18(5) with respect to significant supervised entities	In paragraph 1(b), the word ‘relevant’ has been inserted before ‘Union directives’ to clarify that only those EU directives that are relevant in the context of the prudential supervision of credit institutions are meant here.  The drafting of paragraph 1 has also been slightly reworded to clarify its meaning.
<b>Article 139</b>	Ad hoc requests for information	The time limit within which information requested by the ECB shall be provided to it is now qualified by the word ‘reasonable’ in paragraph 1.
<b>Article 142</b>	General investigation	For clarification purposes, a reference to Article 11(2) of the SSM Regulation has been inserted after ‘without prejudice to national law’. As laid down in Article 11(2), in case of an obstruction to an investigation, NCAs may enforce the ECB decision, in particular by ‘facilitating the access by the ECB to the business premises of the legal persons referred to in Article 10(1) [of the SSM Regulation]’.  The same is true for Article 143.
<b>Article 144</b>	Establishment and composition of on-site inspection teams	Similarly to Article 4, a new paragraph 3 has been inserted stating that the ECB and NCAs shall agree on the use of NCA resources with regard to the on-site inspection teams.
<b>Article 147</b>	Start of direct supervision in the transitional phase	Article 147 has been aligned with Article 44.
<b>Article 153</b>	Final provisions	The date of the entry into force of the SSM Framework Regulation depends on the date of its publication in the Official Journal of the European Union. Article 153 has been amended accordingly.