Note: This publication is discontinued.

Please refer to the ECB's banking supervision website for the latest information.

EUROPEAN CENTRAL BANK

BANKING SUPERVISION

DANIÈLE NOUY
Chair of the Supervisory Board

Frankfurt am Main, 27 January 2015

Approach to existing supervisory processes and practices in SSM Member States

To: The management of significant banks

During recent months, you and your teams have been in intense contact with the Joint Supervisory Teams and have expressed the need to have written clarity as to the processes and practices to apply in the context of the new supervisory setting.

As you know, the Single Supervisory Mechanism is determined to ensure that strong supervisory standards are applied in a harmonised way across the euro area. Harmonisation has already been achieved in many areas. The Guide to Banking Supervision (http://www.ecb.europa.eu/pub/pdf/other/ssmguidebankingsupervision201411.en.pdf) provides a high-level overview of the supervisory principles of the SSM, its functioning and the supervisory cycle.

In participating Member States there exist a broad variety of practices and requirements for the supervision of significant institutions. Such existing national frameworks not only reflect the Capital Requirements Directive and international requirements but also long-established supervisory practices.

In this context, the SSM is determined to carry out the necessary changes to achieve full harmonisation in order to create a level playing field and more effective supervision. The objective is to ensure high standards of supervision by developing common methodologies in all relevant supervisory areas and by ensuring a smooth transition to new standards.

To achieve full harmonisation while minimising disruption in the overall quality of supervision, existing processes and practices related to competences now assigned to the ECB in the SSM Regulation apply until further notice by the ECB. During this time the ECB is proactively assessing the merits of different approaches.

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Your contact point for all requests, applications and notifications of significant entities shall be your JST Coordinator at the ECB, with copy to the national JST sub-coordinators, except where the SSM Framework Regulation stipulates[1] otherwise. According to the SSM legal framework, requests, applications and notifications will be further processed and approved by the ECB in cooperation with national competent authorities, according to all relevant supervisory requirements.

Yours sincerely,

[signed]

Danièle Nouy

[1] e.g. authorisation to take up the business of a credit institution, withdrawal of an authorisation to pursue such business, decisions with regard to qualifying holding, assessment of new members of the management of supervised entities, notifications relating to passporting etc.