

SSM as a tool against fragmentation

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1. SSM and Internal market

SSM : European central Bank + National competent authorities of participating countries

- 1. ECB ultimate decider on the authorization and its withdrawal for *all eurozone* banks**
- 2. ECB is direct supervisor of the 130 leading groups, NCA s for the others**
- 3. ECB decides on policy issues and overall consistency of supervision for all banks**

1. SSM & implementation of the Single Rulebook

- ❑ SSM will apply fully the Single Rulebook and other EBA instruments; it will provide for further convergence and harmonization as competent authority for all participating member states;
- ❑ Consolidated supervision, pillar 2 decisions and group-wide model validations will be primary focus of attention, where convergence of approaches and options will be sought

SSM & Internal market : other convergences

□ The link with ECB will also increase consistency between supervision and other financial stability instruments :

1) macroprudential measures provided for by CRDIV-CRR

2) Liquidity management and transmission of monetary policy

should in principle gain an enhanced effectiveness at least in the Eurozone

2. SSM & and the other Pillars of the Banking Union

- ❑ SSM should play also a convergence role for resolution : early intervention and triggering functions are essential, push for convergence of national options and procedures also.
- ❑ There are more uncertainties about the steady state of depositors guarantee : multi-tiered versus single system?

SSM can live with both but will have to adapt its interventions to the situation.