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NEWS FROM THE ECB

Supervised entities as of 1 November 2019 – ECB publishes updated list of supervised entities

4 December 2020 - The ECB has published an updated list of significant supervised entities (directly supervised by the ECB), and less significant supervised entities (indirectly supervised by the ECB).

Updated List of supervised entities as of 1 November 2019 is [here](#).

Banking Supervision - speech by Andrea Enria, Chair of the ECB Supervisory Board

12 December 2019 - Andrea Enria (Chair of the Supervisory Board of the European Central Bank (ECB)) has delivered a speech at the second ordinary meeting of 2019 of the European Parliament's Economic and Monetary Affairs Committee discussing the ECB's recent work. Mr Enria refers to the future supervisory priorities, including: (i) the implementation of Basel III reforms; (ii) the supervisory challenges posed by digitalisation and the emergence of financial technology companies providing financial services; (iii) the completion of banking union proposals on the European deposit insurance scheme; and (iv) improvements to crisis management frameworks.

Speech by Andrea Enria (Chair of the Supervisory Board of the ECB) on the ECB Banking Supervision's recent work and future priorities is [here](#).

Central bank digital currencies - ECB publishes paper on anonymity

December 2019 - The ECB has published a paper exploring the extent to which an appropriate balance may be struck between allowing a certain degree of privacy in electronic payments and ensuring compliance with regulations aimed at tackling money laundering and the financing of terrorism. Under the coordination of the ECB, the European System of Central Banks has established a proof of concept for anonymity in digital cash. This proof of concept demonstrates that a central bank digital currency payment system, based on distributed ledger technology, could work. The paper observes that there is no immediate need to take concrete steps towards the issuance of central bank digital currency in the euro area.

ECB paper on anonymity in electronic payments and central bank digital currencies is [here](#). Press release is [here](#).

CRR - ECB publishes FAQs clarifying the notification process for the recognition of contractual netting agreements as risk-reducing

December 2019 - The ECB has published FAQs which aim to clarify the notification process for the recognition of contractual netting agreements as risk-reducing under the Capital Requirements Regulation (575/2013/EU) (CRR). This follows the ECB's October 2019 letter, in which it announced the launch of the new notification process that banks would be required to follow in certain circumstances. The FAQs cover: (i) the objective, scope and triggers of the notification process; (ii) the means of notification; and (iii) an explanation of certain terms used in the notification process.

The notification process will apply from 31 January 2020.

ECB FAQs on the notification process for the recognition of contractual netting agreements as risk-reducing under the CRR is [here](#).
ECB letter on the notification process for the recognition of contractual netting agreements as risk-reducing under the CRR is [here](#).

Please also see the Single Supervisory Mechanism (SSM) section for items on an ECB Regulation and ECB Decision on annual supervisory fees being published in the Official Journal of the European Union.

NEWS FOR THE SINGLE SUPERVISORY MECHANISM (SSM)

Single Supervisory Mechanism - ECB Regulation, Decision and Corrigendum published in the Official Journal

17 and 20 December 2019 - Regulation (EU) 2019/2155 of the European Central Bank (ECB) of 5 December 2019, amending the ECB Regulation (1163/2014/EU) on annual supervisory fees, has been published in the Official Journal of the European Union. The Regulation amends the ECB Regulation insofar as: (i) annual supervisory fees will be levied only after the end of the relevant fee period when the actual annual costs have been determined; and (ii) the supervisory fees payable by less significant supervised entities and less significant supervised groups with total assets of €1 billion or less will be reduced. The 2020 fee period will be governed by the transitional arrangements set out in Article 17a of the ECB Regulation.

Decision (EU) 2019/2158 of the ECB of 5 December 2019, on the methodology and procedures for the determination and collection of data regarding fee factors used to calculate annual supervisory fees, has also been published in the Official Journal of the European Union. This Decision reflects the revisions made by Regulation (EU) 2019/2155.

Finally, Corrigendum to the Regulation and Decision have been published in the Official Journal stating that the Regulation and Decision entered into force on 1 January 2020.

Official Journal: Regulation (EU) 2019/2155 amending the ECB Regulation on annual supervisory fees is [here](#).

Official Journal: ECB Decision (EU) 2019/2158 on the methodology and procedures used to calculate annual supervisory fees is [here](#).

Official Journal: Corrigendum to Regulation (EU) 2019/2155 amending the ECB Regulation on annual supervisory fees is [here](#).

Official Journal: Corrigendum to Decision (EU) 2019/2158 of the ECB on the methodology and procedures for the determination and collection of data regarding fee factors used to calculate annual supervisory fees (ECB/2019/38) is [here](#).

NEWS FOR THE SINGLE RESOLUTION MECHANISM (SRM)

Case C-414/18 Iccrea Banca SpA Istituto Centrale del Credito Cooperativo v Banca d'Italia

3 December 2019 - Calculation of ex ante contributions to resolution funds - exclusion of liabilities arising between a second-tier bank and members of a cooperative banking group under Article 5(1)(a) and (f) of Delegated Regulation (EU) 2015/63 - Bank Recovery and Resolution Directive (2014/59/EU) - Single Resolution Mechanism Regulation (806/2014/EU)

The European Court of Justice (Grand Chamber) (ECJ) has given a preliminary ruling on whether liabilities arising between a second-tier bank and members of a cooperative banking group are to be included in the calculation of ordinary (ex ante) contributions to resolution financing arrangements. This includes the calculation of contributions to national resolution funds under the Bank Recovery and Resolution Directive (2014/59/EU) and to the Single Resolution Fund under the Single Resolution Mechanism Regulation (806/2014/EU).

The ECJ referred to Articles 5(1)(a) and (f) of Delegated Regulation (EU) 2015/63, which state that 'intragroup' and 'promotional loan' liabilities must be excluded from the calculation of contributions to resolution financing arrangements.

Case C-414/18 Iccrea Banca SpA Istituto Centrale del Credito Cooperativo v Banca d'Italia is [here](#).

Speech by Elke König to European Parliament ECON Committee

3 December 2019 - On 3 December 2019, Elke König, Chair of the SRB, gave a speech to the European Parliament ECON Committee on progress made in relation to SRB's 2019 priority areas and its priorities for 2020, which includes an agreement on the third and final pillar of the Banking Union, strengthening the Capital Markets Union, and increasing the Single Resolution Fund (SRF) and working out the details around the backstop to the SRF.

Speech by Elke König to European Parliament ECON Committee is [here](#).

European Stability Mechanism reforms - Council of the EU publishes letter to the President of the Euro Summit

5 December 2019 - The Council of the European Union has published a letter from Mario Centeno (President of the Eurogroup) to Charles Michel (President of the Euro Summit) on the outcome of the Euro Summit, held on 21 June 2019. The letter refers to the agreement on revisions to the European Stability Mechanism (ESM) draft treaty concerning the common backstop for bank resolution and the Single Resolution Fund. The Eurogroup expects to sign the agreement amending the ESM treaty in early 2020.

Eurogroup letter on Euro Summit outcomes including ESM reforms is [here](#).

Press release is [here](#).

SRB's 2019 conference 'Bank Resolution: Turning Policy into Action'

10 December 2019 - The Single Resolution Board (SRB) has published a report on its annual conference held in October 2019 and which focused on topics relevant to the implementation of resolvability mechanisms.

SRB Report 'Bank Resolution: Turning Policy into Action' is [here](#).

Press release is [here](#).

SRB's ninth Industry Dialogue – SRB publishes publications

16 December 2019 - The Single Resolution Board (SRB) has published the presentations given at its ninth Industry Dialogue in Brussels on 16 December 2019 in relation to the Banking Package and the next SRB MREL policy, and the SRB's consultation on expectations for banks.

Press release is [here](#).

CRR - SRB extends prior permissions procedure for MREL

18 December 2019 - The Single Resolution Board (SRB) has announced that it intends to extend its procedure to assess applications to reduce eligible liabilities' instruments under Article 78a of the Capital Requirements Regulation (575/2013/EU) (CRR) until the relevant European Banking Authority regulatory technical standards come into force. The SRB states that, in order to continue performing market-making and secondary market activities from 1 January 2020, banks must obtain a prior permission.

Press release is [here](#).

EFIG GROUP

Our European Financial Institutions Group, consisting of ‘Best Friends’ BonelliErede, Bredin Prat, De Brauw Blackstone Westbroek, Hengeler Mueller, Slaughter and May and Uría Menéndez, brings together market-leading lawyers with corporate and financing experience and financial regulatory skills.

We have unrivalled coverage of regulatory developments in the EU, which enables us to provide pure regulatory advice on the interpretation and application of EU directives and regulations. We also have strong connections with the best financial institutions lawyers in the United States, Asia and South America.

Our many years of experience of advising a diverse range of major financial institutions allows us to offer the most incisive advice available.

If you would like to discuss any of the developments in this update, or any other financial regulatory matter, please contact one of the following or your usual EFIG contact.



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