



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Danièle NOUY

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Marco Zanni
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 11 July 2017

Re: Your letter (QZ039)

Honourable Member of the European Parliament, dear Mr Zanni,

Thank you for your letter regarding the management of a bank under ECB supervision, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 31 May 2017.

As laid down in the Interinstitutional Agreement between the European Parliament and the ECB, any reporting obligations vis-à-vis the European Parliament are subject to the relevant professional secrecy requirements, as outlined in the Capital Requirements Directive IV (CRD IV)¹. I therefore cannot comment on the situation of individual institutions or on their management.

The SSM Regulation² conferred on the ECB the task of ensuring that members of the management and supervisory boards of significant institutions comply with governance and “fit and proper” requirements. The ECB performs this fitness and propriety assessment upon receiving the relevant applications from supervised institutions. This assessment is carried out on a case-by-case basis, taking into account the nature, size and complexity of the institution concerned, as well as the specific characteristics of the position to be assumed by the appointee. This process is aimed at ensuring compliance with the five fit and proper assessment criteria set out in Article 91 of CRD IV: reputation, experience, conflict of interest, time commitment and the board’s collective suitability.

While conducting its assessment, the ECB considers the above criteria on a proportionate basis and follows a due and fair process. The assessment outcome depends on several factors, such as applicable national law and the specificities of a given case.

Under Italian law, only specific penalties and preventive measures (declaration of identity and residence, obligation to periodically appear before a court or other competent authority, prohibition on leaving the

¹ Directive 2013/36/EU of the European Parliament and of the Council

² See Article 4(1)(e) of Council Regulation (EU) No 1024/2013.

country, criminal conviction by definitive judgement and sentence to imprisonment for specific offences) are deemed to negatively impact the reputation of a given board member in the context of the fit and proper assessment. The ECB is confined to applying national law implementing CRD IV, which has, however, not yet fully been implemented in Italy.

The suitability criteria set out in CRD IV need to be fulfilled at all times by the members of the management body of a credit institution. Generally, if the ECB becomes aware of new facts or issues that may have an impact on the initially assessed suitability of a board member, it may initiate a new assessment of the individual concerned.

Yours sincerely,

[signed]

Danièle Nouy