

Financial supervision workshop 2018

“Panel discussion on the use and purposes of enforcement actions”

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Banking Supervision



EUROPEAN CENTRAL BANK

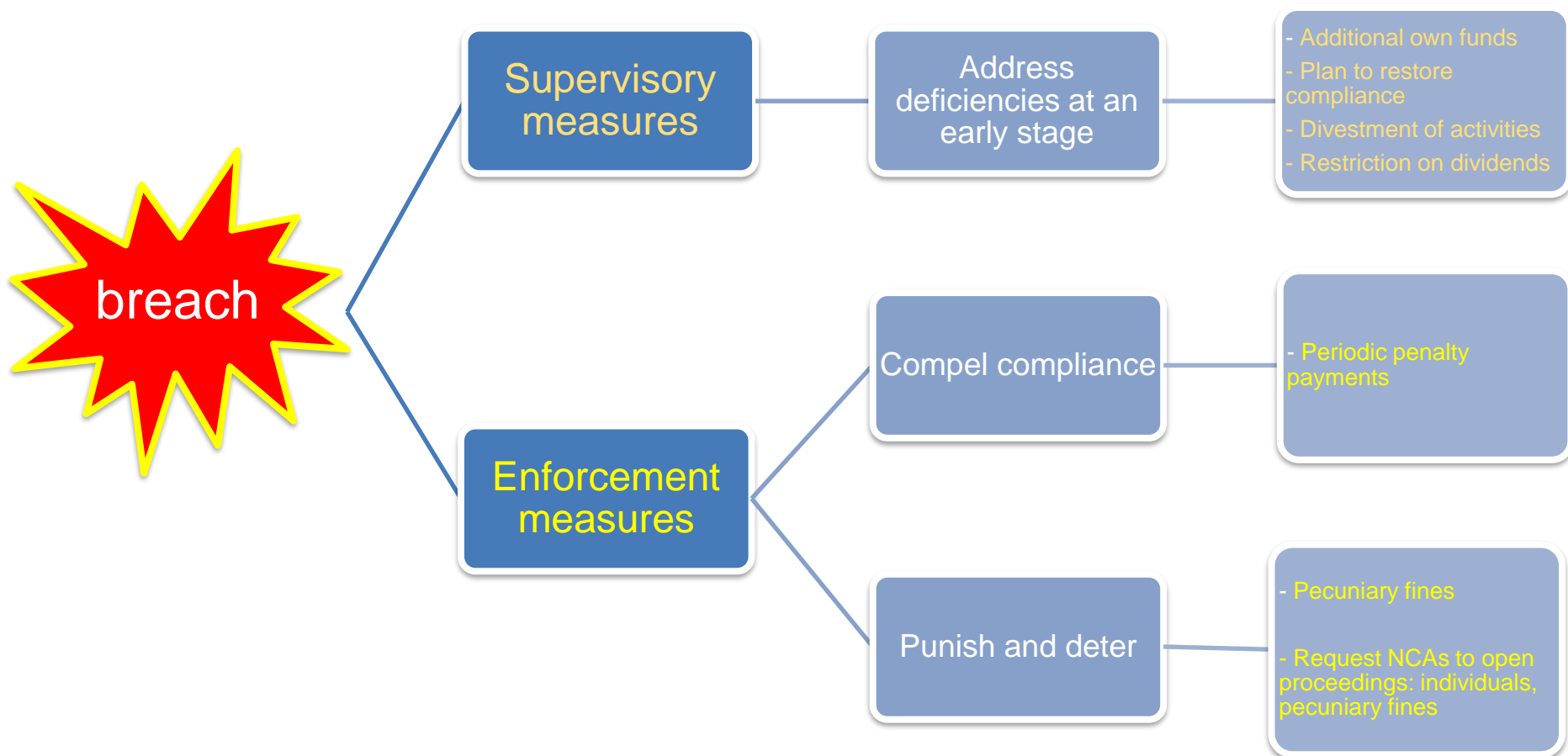
BANKING SUPERVISION

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Use and purposes of enforcement actions

2018 Financial Supervision
Workshop (Stockholm)

- The SSM is one of the pillars of the **EU banking union**, it comprises the **ECB** and the **national supervisory authorities** of the participating member states.
- **Tasks:** prudential requirements, supervisory reviews, licensing, qualifying holdings.
- **Allocation of competences:**
 - **ECB:** directly supervises 119 significant banks / 82% of banking assets in euro area → Joint Supervisory Teams (ECB/NCA)
 - **NCA:** supervise less significant banks in close cooperation with the ECB



Key considerations

- **Use the right tool in the right moment:** early detection allows escalation
- Punishment is not a goal *per se*, but **compliance needs to be ensured**
- **Penalties** shall be **effective, proportionate** and **dissuasive**.

ECB's structure

