NÁRODNÁ BANKA SLOVENSKA
EUROSYSTÉM

Banking union (host – home issues)

„view from the host country in the euro area"

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- Support for the integrated financial framework
- Banking union –effective framework if based on all three pillars
  - Single supervisory mechanism
  - European resolution funds
  - European DGS

- Fair balance between powers and responsibilities (fiscal impact, economic growth...) - centralization of power should go together with centralization of responsibilities

- Conclusions of the latest European Council (18-19.10.2012) focus on the SSM

- balance between power and responsibility - distribution of power between the ECB and national authorities is crucial

- ***„…it is important to ensure a fair balance between home and host countries.“*** one of conclusions of the European Council (18-19.10.2012)

- What is the proposal for a Council Regulation conferring specific tasks on the ECB saying about home-host cooperation?

- *...the ECB shall be exclusively competent to carry out for prudential supervisory purposes, the following tasks...*
- *The provisions set out in Union acts in relation to the cooperation between competent authorities from different Member States for conducting supervision on a consolidated basis shall not apply to the extent that the competent authorities involved are competent authorities of participating Member States.*

- The proposal fundamentally changes the concept of the financial stability in the EU (instead of national stability it focuses on stability of banking groups)
- Based on this proposal host countries from participating countries will have no direct tools to influence domestic financial stability (just to make proposals to ECB to act) but at the same responsibility for the stability remains

- It is important that the ECB when performing its tasks will equally contribute to stability of all credit institutions, including all individual subsidiaries and branches
- **National authorities should have responsibility for macroprudential policy** (to set higher prudential requirements, apply additional measures, apply additional capital buffers including countercyclical capital buffer) – ECB may only apply higher requirements than national authorities