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REPORT

on the draft Council regulation amending Regulation (EC) No 2532/98 concerning the powers of the European Central Bank to impose sanctions (10896/2014 – C8-0090/2014 – 2014/0807(CNS))

Committee on Economic and Monetary Affairs

Rapporteur: Kay Swinburne

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the draft Council regulation amending Regulation (EC) No 2532/98 concerning the powers of the European Central Bank to impose sanctions (10896/2014 – C8-0090/2014 – 2014/0807(CNS))

(Consultation)

The European Parliament,

- having regard to the recommendation of the European Central Bank (10896/2014 – ECB/2014/19),
 - having regard to Article 129(4) of the Treaty on the Functioning of the European Union, and Articles 5.4 and 41 of the Statute of the European System of Central Banks and of the European Central Bank, pursuant to which the Council consulted Parliament (C8-0090/2014),
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A8-0028/2014),
1. Approves the draft proposed in the recommendation of the European Central Bank as amended;
 2. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 3. Asks the Council to consult Parliament again if it intends to substantially amend the draft proposed in the recommendation of the European Central Bank;
 4. Instructs its President to forward its position to the Council, the European Central Bank and the Commission.

Amendment 1

Draft regulation

Recital 6

Draft of the European Central Bank

(6) The ECB should publish decisions imposing administrative pecuniary penalties for breaches of directly applicable

Amendment

(6) The ECB should **as a general rule** publish **without undue delay** decisions imposing administrative pecuniary

Union law and sanctions for breaches of ECB regulations or decisions, both in the supervisory and non-supervisory fields, ***unless such*** publication would be disproportionate, considering the degree of severity of the administrative pecuniary penalty or sanction imposed on an undertaking, ***or jeopardise the stability of financial markets.***

penalties for breaches of directly applicable Union law and sanctions for breaches of ECB regulations or decisions, both in the supervisory and non-supervisory fields. ***Where the ECB deems that immediate publication of a decision would jeopardise the stability of financial markets or*** be disproportionate, considering the degree of severity of the administrative pecuniary penalty or sanction imposed on an undertaking, ***it should have the discretion to delay the publication of the decision until three years after the date on which the decision was taken, or until all legal means of appeal have been exhausted. Upon request the ECB should hold confidential oral discussions behind closed doors with the Chair and Vice-Chairs of the competent committee of the European Parliament concerning such cases. The ECB should provide a justification for the delay in an annex to the published decision.***

Amendment 2

Draft regulation Recital 6 a (new)

Draft of the European Central Bank

Amendment

(6a) Article 1 of Regulation (EU) No 1024/2013 states that the ECB shall act with full regard and duty of care for the unity and integrity of the internal market based on equal treatment of credit institutions with a view to preventing regulatory arbitrage and that no action, proposal or policy of the ECB shall, directly or indirectly, discriminate against any Member State or group of Member States as a venue for the provision of banking or financial services in any currency. In this regard, the ECB should act with a view to preventing a comparative advantage that promotes

unfair competition.

Amendment 3

Draft regulation Recital 9

Draft of the European Central Bank

(9) Article 25 of Regulation (EU) No 1024/2013 lays down the principle of separation, whereby the ECB carries out the tasks conferred on it by Regulation (EU) No 1024/2013 without prejudice to and separately from its tasks relating to monetary policy and any other tasks. In order to bolster this principle of separation, a Supervisory Board has been established pursuant to Article 26, which, inter alia, is responsible for preparing draft decisions for the Governing Council of the ECB in the supervisory field. In addition, the decisions taken by the Governing Council of the ECB are, under the conditions laid down in Article 24 thereof, subject to review by the Administrative Board of Review. Taking account of the principle of separation and the establishment of the Supervisory Board and the Administrative Board of Review, two distinct procedures should apply: (a) where the ECB contemplates the imposition of administrative penalties in the exercise of its supervisory tasks, decisions to this effect are taken by the Governing Council of the ECB based on a complete draft decision from the Supervisory Board and subject to review by the Administrative Board of Review; and (b) where the ECB contemplates the imposition of sanctions in the exercise of its non-supervisory tasks, decisions to this effect are taken by the Executive Board of the ECB and subject to review by the Governing Council of the ECB.

Amendment

(9) Article 25 of Regulation (EU) No 1024/2013 lays down the principle of separation, whereby the ECB carries out the tasks conferred on it by Regulation (EU) No 1024/2013 without prejudice to and separately from its tasks relating to monetary policy and any other tasks. ***In order to avoid conflicts of interest, this principle is to be followed without restriction in all tasks carried out by the ECB.*** In order to bolster this principle of separation, a Supervisory Board has been established pursuant to Article 26, which, inter alia, is responsible for preparing draft decisions for the Governing Council of the ECB in the supervisory field. In addition, the decisions taken by the Governing Council of the ECB are, under the conditions laid down in Article 24 thereof, subject to review by the Administrative Board of Review. Taking account of the principle of separation and the establishment of the Supervisory Board and the Administrative Board of Review, two distinct procedures should apply: (a) where the ECB contemplates the imposition of administrative penalties in the exercise of its supervisory tasks, decisions to this effect are taken by the Governing Council of the ECB based on a complete draft decision from the Supervisory Board and subject to review by the Administrative Board of Review; and (b) where the ECB contemplates the imposition of sanctions in the exercise of its non-supervisory tasks, decisions to this effect are taken by the Executive Board of

the ECB and subject to review by the Governing Council of the ECB.

Amendment 4

Draft regulation Recital 10 a (new)

Draft of the European Central Bank

Amendment

(10a) In light of the globalisation of banking services and the increased importance of international standards, the ECB should, in association with the competent authorities of participating Member States, establish a regular dialogue with supervisors outside the Union to foster international coordination and to agree on shared principles in the imposition and enforcement of sanctions. The dialogue should include a common understanding on the implications of diverging sanctions policies on market access and competition, and should aim to improve the international level playing field.

Amendment 5

Draft regulation Article 1 – point 1 – point a Regulation (EC) No 2532/98 Article 1 – point 6

Draft of the European Central Bank

Amendment

“periodic penalty payments’ shall mean amounts of money which, in the case of a continued infringement, an undertaking is obliged to pay either as a punishment, or with a view to forcing the persons concerned to comply with the ECB supervisory regulations and decisions. Periodic penalty payments shall be calculated for each day of continued

‘periodic penalty payments’ shall mean amounts of money which, in the case of a continued infringement, an undertaking is obliged to pay either as a punishment, or with a view to forcing the persons concerned to comply with the ECB supervisory regulations and decisions. Periodic penalty payments shall be calculated for each ***complete*** day of

infringement (a) following notification of the undertaking of a decision requiring the termination of such an infringement in accordance with the procedure laid down in the second subparagraph of Article 3(1); or (b) when the continued infringement falls under the scope of Article 18(7) of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (*) in accordance with the procedure laid down in Article 4b of this Regulation;

(*) OJ L 287, 29.10.2013, p. 63.

continued infringement (a) following notification of the undertaking of a decision requiring the termination of such an infringement in accordance with the procedure laid down in the second subparagraph of Article 3(1); or (b) when the continued infringement falls under the scope of Article 18(7) of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (*) in accordance with the procedure laid down in Article 4b of this Regulation;

(*) OJ L 287, 29.10.2013, p. 63.

Justification

This amendment clarifies that periodic penalty payments shall be calculated for each complete day (24 hours period) of continued infringement.

Amendment 6

Draft regulation

Article 1 – point 2

Regulation (EC) No 2532/98

Article 1a – paragraph 3

Draft of the European Central Bank

3. The ECB *may* publish any decision imposing on an undertaking administrative pecuniary penalties for breaches of directly applicable Union law and sanctions for breaches of ECB regulations or decisions, both in the supervisory and non-supervisory fields, ***whether such decision has been appealed or not***. The ECB shall carry out ***such*** publication in accordance with relevant Union law, irrespective of any national law or regulation and, where relevant Union law is composed of Directives, of any national legislation transposing those Directives.

Amendment

3. ***After notification to the undertaking concerned, the ECB shall, according to a transparent procedure and rules which it will make public, publish, as a general rule without undue delay, any decision imposing on an undertaking administrative pecuniary penalties for breaches of directly applicable Union law and sanctions for breaches of ECB regulations or decisions, both in the supervisory and non-supervisory fields, provided that all legal means of appeal against such a decision have been exhausted. Where the ECB considers that immediate publication of a decision would jeopardise the stability of***

financial markets or be disproportionate considering the degree of severity of the administrative pecuniary penalty or sanction imposed on an undertaking, it shall have the discretion to delay the publication of the decision until three years after the date on which the decision was taken. Upon request the ECB shall hold confidential oral discussions behind closed doors with the Chair and Vice-Chairs of the competent committee of the European Parliament concerning such cases. The ECB shall provide a justification for the delay in an annex to the published decision. The ECB shall carry out publication *in the cases and* in accordance with *the conditions set out in* relevant Union law, irrespective of any national law or regulation and, where relevant Union law is composed of Directives, of any national legislation transposing those Directives.

Amendment 7

Draft regulation

Article 1 – point 2

Regulation (EC) No 2532/98

Article 1a – paragraph 3 a (new)

Draft of the European Central Bank

Amendment

3a. Without prejudice to their other specific competences derived from national law, the national competent authorities shall remain competent to impose administrative penalties but shall impose such penalties on credit institutions directly supervised by the ECB only where the ECB requires them to initiate proceedings for that purpose.

Justification

The past has shown that deficient supervision came often about from lack of clarity on who is finally competent to take infringement initiatives. This amendment aims at avoiding conflicts between authorities which is of utmost importance.

Amendment 8

Draft regulation

Article 1 – point 4 – point b

Regulation (EC) No 2532/98

Article 3 – paragraph 10

Draft of the European Central Bank

If an infringement relates exclusively to a task entrusted to the ESCB or the ECB under the Treaty and the Statute of the ESCB, an infringement procedure may be initiated only on the basis of this Regulation, irrespective of the existence of any national law or regulation which may provide for a separate procedure. If an infringement also relates to one or more areas outside the competence of the ESCB or the ECB, the right to initiate an infringement procedure on the basis of this Regulation shall be independent of any right of a competent national authority to initiate separate procedures in relation to such areas outside the competence of the ESCB or the ECB. This provision shall be without prejudice to the application of criminal law and of national law relating to prudential supervisory competencies in participating Member States, in accordance with Council Regulation (EU) No 1024/2013.

Amendment

If an infringement relates exclusively to a task entrusted to the ESCB or the ECB under the Treaty and the Statute of the ESCB, an infringement procedure may be initiated only on the basis of this Regulation, irrespective of the existence of any national law or regulation which may provide for a separate procedure. If an infringement also relates to one or more areas outside the competence of the ESCB or the ECB, the right to initiate an infringement procedure on the basis of this Regulation shall be independent of any right of a competent national authority to initiate separate procedures in relation to such areas outside the competence of the ESCB or the ECB. This provision shall be without prejudice to the application of criminal law and of national law relating to prudential supervisory competencies in participating Member States, in accordance with Council Regulation (EU) No 1024/2013. ***Furthermore, the proceeds accruing from the sanctions referred to in Article 9 of this Regulation shall remain at the disposal of the ECB provided that it specifies a purpose for those proceeds other than financing current expenditure, and provided that it reports on their use to the European Parliament and the Court of Auditors.***

Amendment 9

Draft regulation

Article 1 – point 4 a (new)

Regulation (EC) No 2532/98

Article 4 – paragraph 1

Present text

1. The right to take the decision to initiate an infringement procedure, as provided for in this Regulation, shall expire one year after the existence of the alleged infringement **first** became known either to the ECB or to the national central bank of the Member State in whose jurisdiction the alleged infringement occurred and, in any case, **five** years after the infringement **occurred**, or in the case of a continued infringement, **five** years after the infringement was terminated.

Amendment

4a. In Article 4, paragraph 1 is replaced by the following:

"1. The right to take the decision to initiate an infringement procedure, as provided for in this Regulation, shall expire one year after the existence of the alleged infringement became known either to the ECB or to the national central bank of the Member State in whose jurisdiction the alleged infringement occurred and, in any case, **three** years after the **date on which the decision to initiate an infringement procedure was taken** or, in the case of a continued infringement, **three** years after the infringement was terminated."

Justification

In the current wording, the right to take a decision to initiate an infringement procedure expires in any case five years after the infringement occurred. This may be troublesome as in certain complex cases it can take years before an infringement is known. Your rapporteur suggests reducing the five years period to a three years period which starts to run from the date on which the decision was taken to initiate infringement procedures, rather than the date on which the infringement occurred.

Amendment 10

Draft regulation

Article 1 – point 5

Regulation (EC) No 2532/98

Article 4c – paragraph 1

Draft of the European Central Bank

1. By way of derogation from Article 4, the

Amendment

1. By way of derogation from Article 4, the

right to take a decision to impose an administrative penalty, with regard to infringements relating to relevant directly applicable acts of Union law as well as to decisions and regulations adopted by the ECB in the exercise of its supervisory tasks, shall expire five years after the infringement *occurred* or, in the case of a continued infringement, five years after the infringement ceased.

right to take a decision to impose an administrative penalty, with regard to infringements relating to relevant directly applicable acts of Union law as well as to decisions and regulations adopted by the ECB in the exercise of its supervisory tasks, shall expire five years after the *date on which the decision to initiate an infringement procedure was taken* or, in the case of a continued infringement, five years after the infringement ceased.

Amendment 11

Draft regulation

Article 1 – point 5

Regulation (EC) No 2532/98

Article 4c – paragraph 2

Draft of the European Central Bank

2. Any action taken by the ECB for the purposes of the investigation or proceedings with respect to an infringement shall cause the time limit laid down in paragraph 1 to be interrupted. The limitation period shall be interrupted with effect from the date on which the action is notified to the supervised entity concerned. Each interruption shall cause the time limit to recommence. However, the time limit shall not exceed a period of *ten* years after the infringement *occurred* or, in the case of a continued infringement, *ten* years after the infringement ceased.

Amendment

2. Any action taken by the ECB for the purposes of the investigation or proceedings with respect to an infringement shall cause the time limit laid down in paragraph 1 to be interrupted. The limitation period shall be interrupted with effect from the date on which the action is notified to the supervised entity concerned. Each interruption shall cause the time limit to recommence. However, the time limit shall not exceed a period of *seven* years after the *date on which the decision to initiate an infringement procedure was taken* or, in the case of a continued infringement, *seven* years after the infringement ceased.

Justification

The ECB recommends that the time limit shall not exceed a period of ten years after the infringement occurred. This may be troublesome as in certain complex cases it can take years before an infringement is known. Your rapporteur suggests reducing the ten years period to a seven years period which starts to run from the date on which the decision was taken to initiate infringement procedures, rather than the date on which the infringement occurred.

Amendment 12

Draft regulation

Article 1 – point 5

Regulation (EC) No 2532/98

Article 4c – paragraph 4 a (new)

Draft of the European Central Bank

Amendment

4a. Actions which interrupt the running of the limitation period shall include in particular the following:

(a) a written request for information by the ECB or by a national competent authority of a Member State;

(b) written authorisations to conduct inspections issued to officials by the ECB or a national competent authority of a Member State;

(c) the initiation of proceedings for infringement by a national competent authority of a Member State.

Justification

This amendment aims at providing guidance with regard to the type of actions that should allow an interruption of the limitation period. It is loosely based on Article 25 paragraph 3 of Regulation 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty.

Amendment 13

Draft regulation

Article 1 – point 5 a (new)

Regulation (EC) No 2532/98

Article 5

Present text

Amendment

Article 5

Judicial review

The Court of Justice of the European Communities shall have unlimited

5a. Article 5 is replaced by the following:

“Article 5

Judicial review

As stated in Article 263 of the Treaty on the Functioning of the European Union,

jurisdiction within the meaning of Article 172 of the Treaty over the review of final decisions whereby a sanction is imposed.

the Court of Justice of the European Union shall have unlimited jurisdiction over the review of final decisions whereby a sanction is imposed.”

Justification

The current reading quotes an outdated Treaty numbering. Also, the current article 5 is written in a way that gives the impression that judicial review is granted by the Regulation when in fact derives from the Treaty on the Functioning of the European Union itself.

Amendment 14

Draft regulation

Article 1 – point 5 b (new)

Regulation (EC) No 2532/98

Article 6 a (new)

Draft of the European Central Bank

Amendment

5b. The following Article is inserted:

“Article 6a

International Dialogue

Pursuant to Article 8 of Regulation (EU) No 1024/2013 the ECB shall establish a regular dialogue with supervisory authorities outside the Union to work towards a coherent application of sanctions and sanction mechanisms on the international level.”

EXPLANATORY STATEMENT

1. Background

On 23 November 1998, the Council of the European Union adopted Council Regulation (EC) No 2532/98 concerning the powers of the European Central Bank (ECB) to impose sanctions¹. Following several years of application of Council Regulation (EC) No 2532/98 and taking into account the fact that the scope of the ECB's powers was extended by Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions², on 16 April 2014 the ECB submitted to Council a Recommendation for a Council Regulation amending Council Regulation (EC) No 2532/98³.

The ECB Recommendation covers amendments to the definition of periodic penalty payments (Article 1), the general principles and scope (Article 1a), sanctions in case of a failure to perform a duty (Article 2), procedural rules with regard to the initiation of an infringement procedure and the relationship with national competence (Article 3), specific rules regarding the upper limits of sanctions imposed by the ECB in the exercise of its supervisory tasks (new Article 4a), specific procedural rules for the imposition of such sanctions including the review procedure (new Article 4b), and specific time limits for administrative penalties imposed by the ECB in the exercise of its supervisory tasks (new Article 4c).

2. Procedure in the European Parliament

The European Parliament is consulted by the Council on the basis of Article 129(4) TFEU. The ECON committee is lead Committee for the file.

3. General considerations

The financial crisis highlighted the need for better regulation and supervision of the financial sector in the EU. New rules to ensure that all financial actors, products and markets are appropriately regulated and efficiently supervised have been adopted. These rules create a basic framework for all 28 Member States of the EU and underpin a properly functioning single market for financial services.

The ensuing euro area crisis added an extra dimension. It highlighted the potentially vicious circle of risk contagion between banks and sovereigns. It became clear that, if the single currency was to survive and thrive in the long run, a better governed and more deeply integrated economic and monetary union was required. For the vicious circle to be broken, a more robust financial sector is not enough. In particular for countries that share a currency, there was a wide consensus on the necessity of a deeper and more integrated approach – in effect by ensuring uniform delivery of the rules for all 28 Member States. This is why EU Heads of State and Government have committed to a banking union in June 2012. The banking union is specifically set up for countries that share the euro currency, although it is

¹ OJ L 318, 27.11.1998, p. 4.

² OJ L 287, 29.10.2013, p. 63.

³ ECB/2014/19.

also open to all non-euro EU Member States who want to join in (opt-in countries).

The Council Regulation amending Regulation (EC) No 2532/98 should constitute a further step in the implementation of a more coherent and integrated regulatory framework.

3.1. Role of the ECB: better supervision of the financial system

For regulation to be fully efficient, it needs to be accompanied by thorough supervision and enforcement. That is why the aim is to upgrade the supervision of the financial sector at EU level, improving coordination between national supervisors on the one hand and enhancing EU-wide supervision to deal with risks and issues with cross-border effects on the other hand, under the ultimate guidance of the ECB. Both supervision levels are complementary and essential to safeguard financial stability in Europe.

On 4 November 2013, about one year after the Commission had proposed to set up a single banking supervision mechanism in the euro area, the Single Supervisory Mechanism (SSM) entered into force. This mechanism will be fully operational in November 2014.

The SSM confers new supervision powers on the ECB for the banks of the euro area, including the authorisation of all banks in the EU and the coherent and consistent application of the single rulebook in the euro area, the direct supervision of significant banks, including all banks having assets of more than €30 billion or constituting at least 20% of their home country's GDP (around 130 banks) and, finally, the monitoring of the supervision exerted by national supervisors on less significant banks. The ECB, as the ultimate supervisor, may at any moment decide to directly supervise one or more of these credit institutions to ensure consistent application of high supervisory standards. The ECB is tasked with ensuring the coherent and consistent application of the Single rulebook in the euro area.

3.2. Sanctions in the SSM

There is a wide consensus that a lack of credibility of regulation contributed to the crisis, since implementation appeared to be severely deficient. Traditionally in financial matters a lot of faith is placed in “market discipline”, but to have the system of market monitoring functioning well, transparency is very important as well. This means that not only the necessary information must be available but also that this information is effectively reaching the market, and, moreover, is adequately interpreted by the market participants and also used in their decisions.

Hence, building the SSM's credibility requires more than just transparency on banks' asset quality. Financial markets and all their users involved also need to be confident that, in the future, the supervisor can “pull the trigger” on banks that are not complying with the rules. This means that the ECB needs clear and unequivocal authority to impose sanctions.

4. Draft report: specific considerations

As a preliminary remark, your Rapporteur notes the absence of a qualitative impact assessment. He understands the urgency of amending Regulation (EC) No 2532/98 in view of the establishment of the Single Supervisory Mechanism (SSM) in November 2014, but

nevertheless believes that several shortcomings could have been efficiently addressed by making use of the impact assessment methodology.

That being said, your Rapporteur welcomes the Recommendation of the ECB and supports its objective. He suggests improving some of the elements of the Recommendation with the following main modifications.

4.1. Publication of administrative penalties

In line with Council Regulation (EU) No 1024/2013 and in particular Article 18 paragraph 6 thereof, as well as in view of repeated calls made by the European Parliament to increase the transparency of ECB decision-making procedures, your Rapporteur suggests to oblige the ECB as a general rule to publish without undue delay its decisions to impose on an undertaking administrative pecuniary penalties for breaches of directly applicable Union law and sanctions for breaches of ECB regulations or decisions, both in the supervisory and non-supervisory fields, and whether such decision has been appealed or not.

There might however be instances where immediate publication of decisions is not appropriate, e.g. when a decision would jeopardise the stability of financial markets or be disproportionate considering the degree of severity of the administrative penalty or sanction imposed on an undertaking. Your Rapporteur therefore agrees to give the ECB the discretion to delay the publication of such decisions. In line with Council Regulation (EU) No 1024/2013 and in particular Article 20 paragraph 8 thereof, he believes however that there should be a possibility for the Chair and Vice-Chairs of the competent committee of the European Parliament to request a confidential oral discussion with the ECB on such decisions. To maximise transparency, your Rapporteur further suggests a procedure of full disclosure and hence automatic declassification and release of information after a certain period, e.g. 3 years, as well as an ex-post obligation for the ECB to justify any deviation from the general rule of immediate publication.

4.2. Division of competences between the ECB and the national competent authorities

The past has shown that deficient supervision often came about from a lack of clarity on who is finally competent to take infringement initiatives. Your Rapporteur therefore proposes a modification of the new Article 1a as recommended by the ECB. In particular, he recommends adding to this article, which lays down the general principles, an explicit overall delineation of responsibilities: without prejudice to their other specific competences derived from national law, the national competent authorities remain competent to impose administrative penalties but are to only impose such penalties on credit institutions directly supervised by the ECB if the ECB requires them to initiate proceedings for this purpose.

4.3 Time limits for administrative penalties

In its Recommendation, the ECB proposes that the right to take a decision to impose an administrative penalty on the infringement case expires five years after the infringement occurred. This may be troublesome as in certain complex cases it can take years before an infringement is known. Hence your Rapporteur suggests that the five year period starts to run from the date on which the decision was taken to initiate infringement procedures, rather than

the date on which the infringement occurred.

To counterbalance the *de facto* (potentially much) longer time limits as a consequence of the later starting point, your Rapporteur suggests reducing the limitation period itself from five years to three years. Furthermore, he provides guidance as to which types of actions by the ECB should cause the limitation periods to be interrupted.

PROCEDURE

Title	The powers of the European Central Bank to impose sanctions	
References	10896/2014 – C8-0090/2014 – 2014/0807(CNS)	
Date of consulting Parliament	2.7.2014	
Committee responsible Date announced in plenary	ECON 14.7.2014	
Rapporteurs Date appointed	Kay Swinburne 22.7.2014	
Discussed in committee	13.10.2014	3.11.2014
Date adopted	11.11.2014	
Result of final vote	+: –: 0:	32 22 2
Members present for the final vote	Gerolf Annemans, Burkhard Balz, Hugues Bayet, Pervenche Berès, Udo Bullmann, Esther de Lange, Fabio De Masi, Anneliese Dodds, Markus Ferber, Jonás Fernández, Elisa Ferreira, Sven Giegold, Neena Gill, Roberto Gualtieri, Gunnar Hökmark, Danuta Maria Hübner, Petr Ježek, Othmar Karas, Georgios Kyrtos, Alain Lamassoure, Philippe Lamberts, Werner Langen, Sander Loones, Bernd Lucke, Olle Ludvigsson, Notis Marias, Fulvio Martusciello, Costas Mavrides, Luděk Niedermayer, Stanisław Ożóg, Dariusz Rosati, Alfred Sant, Molly Scott Cato, Peter Simon, Theodor Dumitru Stolojan, Paul Tang, Sampo Terho, Michael Theurer, Ernest Urtasun, Marco Valli, Cora van Nieuwenhuizen, Miguel Viegas, Jakob von Weizsäcker, Steven Woolfe, Pablo Zalba Bidegain, Marco Zanni, Sotirios Zarianopoulos	
Substitutes present for the final vote	Matt Carthy, Frank Engel, Ildikó Gáll-Pelcz, Danuta Jazłowiecka, Jeppe Kofod, Thomas Mann, Alessia Maria Mosca, Norica Nicolai, Nils Torvalds	
Date tabled	12.11.2014	