



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Danièle NOUY

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Markus Ferber
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 09 January 2017

Re: Your letter (QZ122)

Honourable Member of the European Parliament, dear Mr Ferber,

Thank you for your letter, 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 15 December 2016.

Let me first recall the legal framework that the European Central Bank (ECB), as an EU institution, applies with regard to the language regime in discharging its responsibilities.

As mentioned in Recital 62 of the SSM Regulation, the legal basis for the ECB's language regime is Council Regulation No 1 of 6 October 1958 determining the languages to be used by the European Economic Community which, in turn, is based on Article 342 of the TFEU.

In particular, Articles 2 and 3 of the Regulation on languages are implemented by Article 24 of the SSM Framework Regulation which states that any document sent to the ECB by a supervised entity may be drafted in any of the official languages of the Union. This is also explained in Box 5 of the ECB Guide to banking supervision¹. However, the ECB and the supervised entities may agree to exclusively use one official language. In practice, around 70% of the significant institutions have agreed to the use of English. They may revoke their agreement at any time. For the remaining 30% of significant institutions that have opted to communicate in their own languages, ECB Banking Supervision communicates in the language of their choice. When it comes to less significant institutions, we communicate in the respective official language by default.

In the specific case of decisions on supervisory fees, the ECB has implemented a combined solution. For the standard correspondence issued in English concerning the supervisory fees, including fee notices, a translated version is provided in every official language of the Member States participating in the SSM. For fee notices, which are prepared on the basis of a single template for all banks, this means that an internet link to a sample of the fee notice translated in all official languages is provided to the addressee. This sample

¹ <https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssmguidebankingsupervision201411.en.pdf>

is also available throughout the year via the dedicated section on supervisory fees on the ECB Banking Supervision website². These pages are published in all official EU languages and are updated with important information about the ECB supervisory fees, together with other practical information, key dates, definitions, the legal background and answers to frequently asked questions.

When a supervised entity, or indeed any interested party, wants to communicate directly with the ECB concerning the supervisory fee, a dedicated email address has been established (SSM-fee-enquiries@ecb.europa.eu) to which they can submit their questions in any official language of the EU and will receive an answer in the same language. Furthermore, to facilitate direct communication between the ECB and the supervised entities, the ECB has implemented a telephone hotline whereby it provides answers verbally on a best effort basis.

Any further measures aimed at covering all official EU languages would create additional costs in terms of IT and specialised staff. Such enhancements would in turn have to be financed by raising the supervisory fees for all supervised entities, since the amount of the supervisory fees is determined on the basis of the amount of the annual expenditure consisting of any expenses incurred by the ECB in the relevant fee period that directly or indirectly relate to its supervisory tasks. In implementing the explained approach, the ECB has made every effort to find a practical, cost-effective solution in terms of communication with the fee debtors, which is also in the interest of the supervised entities themselves.

Yours sincerely,

[signed]

Danièle Nouy

² <https://www.bankingsupervision.europa.eu/organisation/fees/html/index.en.html>