



EUROPEAN CENTRAL BANK

EUROSYSTEM

12 September 2013

PRESS RELEASE

ECB WELCOMES EUROPEAN PARLIAMENT VOTE TO CREATE SINGLE SUPERVISORY MECHANISM

The European Central Bank (ECB) welcomes today's vote by the European Parliament on legislation which paves the way for establishing a banking union. Under the [Council Regulation](#) conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the Regulation), a new system of banking supervision will be created, establishing a single supervisory mechanism for the banks in the euro area (and other EU Member States wishing to join the single supervisory mechanism). This represents a major step towards restoring confidence in the European banking system.

The Regulation will enter into force following approval by the EU Council and publication in the Official Journal of the EU. Its entry into force will enable the ECB to formally initiate all the key preparatory activities, so that it is able to fully assume its supervisory tasks 12 months later.

"Today marks a real step forward in setting up a banking union, which is a core element of a genuine economic and monetary union. We will do our utmost to put in place all organisational requirements, with the aim of assuming our supervisory responsibilities one year after the legislation enters into force, and look forward to working with national authorities to contribute to the restoration of confidence in the banking sector," said Mario Draghi, President of the ECB.

In parallel with the adoption of the Regulation, Mr Draghi and Martin Schulz, President of the European Parliament, signed a [declaration](#) committing both institutions to formally conclude an [Interinstitutional Agreement](#) on the practical aspects of their cooperation on matters related to the single supervisory mechanism.

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