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PRESS RELEASE

ECB LAUNCHES PUBLIC CONSULTATION ON DRAFT ECB REGULATION ON SUPERVISORY FEES

- Regulation on supervisory fees to set out how the ECB recovers its expenditures for supervising the euro area banking sector
- Expenditure for banking supervision in 2015 estimated at around €260 million
- Most banks that will be directly supervised by the ECB to pay between €0.7 million and €2 million per year
- Largest banks to pay approximately €15 million; smallest to pay about €2000

The European Central Bank (ECB) has today published a draft ECB Regulation on supervisory fees for public consultation. The ECB will take over as supervisor of euro area banks in November 2014 as part of the Single Supervisory Mechanism (SSM). The SSM will directly supervise up to 130 institutions and work with national competent authorities to oversee smaller banks.

The SSM has been established to contribute to the safety and soundness of the euro area banking system and to help restore confidence in the banking sector, through independent, integrated European supervision for all euro area and other participating Member States. It aims to increase financial stability and integration in Europe and harmonise supervisory practices, for the benefit of banks under its supervision.

The draft regulation sets out the arrangements under which the ECB will levy an annual supervisory fee for the expenditures incurred in relation to its new role, from November 2014 onwards.

It establishes the methodology for:

- (1) determining the total amount of the annual supervisory fee;
- (2) calculating the amount to be paid by each supervised bank or banking group;
- (3) collecting the annual supervisory fee.

Under the EU Regulation governing the Single Supervisory Mechanism (SSM Regulation), the ECB is required to levy an annual supervisory fee on the directly and indirectly supervised banks in order to recover its expenditures for supervision, which are estimated at about €260 million for 2015.

While the exact figure can only be confirmed in 2015, a preliminary analysis has shown that for 2015 the annual fee for a directly supervised bank may range from €150,000 to €15 million, with most paying between €0.7 million and €2 million. Similarly, some 75 % of the smaller, indirectly supervised banks may pay between €2,000 and €7,000 per year, while the bigger banks in this category may be levied with an amount of about €200,000.

The consultation opens today for a seven-week period, until 11 July 2014.

The consultation documents, comprising the draft ECB Regulation on supervisory fees, an explanatory report, and a Q&A note, are published in the “Banking Supervision” section of the ECB’s website.

The ECB will hold a public hearing on the consultation documents on 24 June 2014, at its premises in Frankfurt. A webcast of the hearing will be made available on the ECB’s website. Information on registering for the public hearing and on how to submit a comment on the consultation documents can also be found in the “Banking Supervision” section of the website.

Following the public consultation, the ECB will publish the comments received along with an evaluation and its responses. The ECB Regulation on supervisory fees will enter into force before the ECB assumes its supervisory tasks on 4 November 2014.

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