



EUROPEAN CENTRAL BANK  
EUROSYSTEM

*COURTESY TRANSLATION*

Vitor Constâncio

*Vice-President*

Mr Mario Borghezio  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt am Main, 6 May 2013

**Re: Your letter**

Dear Mr Borghezio,

Thank you for your letter, which was passed on to the President of the European Central Bank (ECB) by Ms Sharon Bowles, Chairwoman of the Committee on Economic and Monetary Affairs, together with a covering letter dated 26 February 2013.

First, it is not for the ECB to comment specifically on the role of an investment bank in advising other banks on their transactions.

Second, the Banca d'Italia has made public the sequence of events and action taken with regard to Monte dei Paschi di Siena. Within its legal framework and capacity, the Banca d'Italia took timely and appropriate action.

The draft legislation for the Single Supervisory Mechanism (SSM) provides for an effective and coherent framework for supervision. Once the proposed Council regulation conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions has entered into force, the ECB and its President will take on the responsibilities provided for in the regulation. Under the proposed framework, supervisory decision-making will be clearly separated from monetary policy decision-making. A supervisory board chaired by an individual who is not a member of the Governing Council of the

ECB will prepare all the supervisory decisions. Further decisive steps towards completing a banking union are essential, so that banks can be efficiently and effectively resolved. In this regard, the establishment of a single resolution mechanism is crucial.

Yours sincerely,

[signed]

Vítor Constâncio