



EUROPEAN CENTRAL BANK
EUROSYSTEM

COURTESY TRANSLATION

Christine LAGARDE
President

Mr Dimitrios Papadimoulis
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 17 September 2021

L/CL/21/198

Re: Your letter (QZ-041)

Honourable Member of the European Parliament, dear Mr Papadimoulis,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 26 July 2021.

The ECB monitors cyclical and structural developments in the banking sectors of the euro area and the EU as a whole, as well as in other financial sectors, and assesses the potential impact of systemic risks on the stability and resilience of the financial system. Moreover, the SSM Regulation grants the ECB macroprudential powers to act in relation to euro area banks.¹ However, risks to the financial system emerging from specific pension, insurance or other investment products that you mentioned in your letter fall outside of this remit and actions to mitigate such risks are beyond the scope of the powers conferred on the ECB.

Notwithstanding this, ECB staff work closely with the European Insurance and Occupational Pensions Authority – a key aim of which is to foster financial stability in the insurance and pension markets – and provide support to the European Systemic Risk Board (ESRB) in the prevention and mitigation of systemic risk. The ESRB's remit covers the financial system more broadly, including banks, insurers, asset management firms, shadow banks, financial market infrastructures and other financial institutions and markets.

¹ See 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 institutions, OJ L 287, 29.10.2013, p. 63–89, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R1024>.

Address
European Central Bank
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

Postal address
European Central Bank
60640 Frankfurt am Main
Germany

Tel: +49-69-1344-0
Fax: +49-69-1344-7305
Website: www.ecb.europa.eu

Regarding your specific question on the upcoming reform of the Greek social security system, I would like to underline that the ECB does not take a position on how individual Member States organise their pension systems. In the context of the enhanced surveillance process for Greece, the ECB focuses its activities on topics that are within its competences, such as financial sector policies and macro-critical issues, including headline fiscal targets and sustainability and financing needs. Pension reforms are analysed in more detail by the European Commission in the context of its Ageing Report², while the fiscal implications of these reforms are covered in its Debt Sustainability Monitor³.

Yours sincerely,

[signed]

Christine Lagarde

² See European Commission, "The 2021 Ageing Report: Economic and Budgetary Projections for the EU Member States (2019-2070)", 7 May 2021, available at: https://ec.europa.eu/info/publications/2021-ageing-report-economic-and-budgetary-projections-eu-member-states-2019-2070_en.

³ See European Commission, "Debt Sustainability Monitor 2020", 5 February 2021, available at: https://ec.europa.eu/info/publications/debt-sustainability-monitor-2020_en.

Address

European Central Bank
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

Postal Address

European Central Bank
60640 Frankfurt am Main
Germany

Tel. +49-69-1344-0
Fax: +49-69-1344-7305
Website: www.ecb.europa.eu