

Yves Mersch
Member of the Executive Board

[COURTESY TRANSLATION¹]

Mr. Giovanni Tria
Minister of Economy and Finance
Cabinet of the Minister
Via XX Settembre,
00100 Rome

16 April 2019

Dear Mr Tria,

It has come to the attention of the European Central Bank (ECB) that the Italian Law No 136/2018² (hereinafter 'Law No 136/2018') converted into law with amendments the Decree Law No 119/2018 on urgent fiscal and financial provisions³ (hereinafter 'Decree Law No 119/2018'). In particular, the new article 20-bis of the Decree Law 119/2018 modifies Article 37-bis.1-bis of the Consolidated Law on banking⁴, allowing cooperative banks in the provinces of Trento and Bolzano to join an Institutional Protection Scheme instead of a Cooperative Banking Group.

Moreover, Article 20-ter of the Decree Law 119/2018, as modified by Law No 136/2018, introduces oversight by a governmental authority – the Ministry of Economic Development – of the holding company (i.e. the parent company) of a Cooperative Banking Group for verification of compliance with the mutualistic scope of the group. This could potentially result in 'adequate supervisory decisions' or other interventions by the supervisory authority after a communication from the governmental authority – the Ministry of Economic Development –. However, only Banca d'Italia is identified as a supervisory authority; the ECB is omitted.

Furthermore, article 20.2-bis of the Law Decree, as introduced by Law No 136/2018, postponed the deadline for the transformation of the Italian popolari banks into joint stock companies until 31 December 2019.

Article 2(1) of Council Decision 98/415/EC⁵ requires national authorities to consult the ECB on draft legislative provisions concerning matters that fall within its competence, including in particular the ECB's

1 The official ECB letter is addressed in the official language of the concerned Member State.

2 Legge 17 dicembre 2018, n. 136, GU n.293 del 18-12-2018.

3 Decreto-Legge 23 ottobre 2018, n. 119.

4 Decreto legislativo 1 settembre 1993, n. 285.

5 Council Decision of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions (OJ L 189, 3.7.1998, p. 42).

tasks concerning the prudential supervision of credit institutions pursuant to Article 127(6) on the Treaty on the Functioning of the European Union. In this respect, it is noted that the ECB has in the past been consulted, and issued a series of four opinions, on the reform of Italian popolari and cooperative banks⁶.

The ECB would appreciate the Italian authorities giving due consideration to the above observations by honouring their obligation to consult the ECB in the future, in particular in the case of further legislative work initiated in relation to the issues regulated by the above laws.

Yours sincerely,

[signed]

Cc: Mr Ignazio Visco, Banca d'Italia
Mr P. Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs,
European Commission
Mr L. Romero Requena, Director-General Legal Service, European Commission

Encl. Guide to consultation of the ECB by national authorities regarding draft legislative provisions

⁶ See Opinions CON/2015/13, CON/2016/17, CON/2016/41, CON/2018/42. All ECB opinions are published on the ECB's website at www.ecb.europa.eu.