

Questions on regulation and supervisory practices applied for credit institutions

A: Supervisory co-operation and information sharing

1	In order to facilitate group-wide supervision, do you conclude cooperation agreements with supervisors of the main firms within the group¹? If so, what do these agreements cover (e.g., exchange of information procedures, the appointment of a coordinating supervisor at group level, etc.; please see also the more detailed questions below). If not, are there potential obstacles in doing so in the future?
(a)	Within your own country
(b)	In EU countries
(c)	In other countries
2	Do you make specific arrangements for coordinating and planning of supervisory activities with other supervisors of main firms in the group? If so, in what circumstances, for a typical group (e.g., in normal supervision, in emergency situations, in response to specific triggers, annually, other)? If not, are there potential obstacles to doing so in the future?
(a)	Within your own country
(b)	In EU countries
(c)	In other countries
3	If supervisors from other countries that are responsible for group-wide supervision want to verify information concerning a regulated or unregulated entity that is part of the group and is established in your country, would it be possible for you to carry out that verification or/and do you allow that supervisor to do or to participate in the verification? What alternative procedures do you allow, if any?
4	Do you share the conclusions of your overall supervisory assessment with supervisors of the main firms within the group? If so, how often is this for a typical group (e.g., in normal supervision, in emergency situations, in response to specific triggers, annually, other)? If not, are there potential obstacles to doing so in the future?

¹ group – defined in Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions

(a)	Within your own country
(b)	In EU countries
(c)	In other countries
5	To what extent is the information exchange between supervisory authorities in your country and supervisory authorities in third countries subject to provisions on professional secrecy and the treatment of confidential information?

B: Qualitative individual/group assessment

6	How often do you typically discuss with credit institutions/groups their structure, organization and strategy? Are credit institutions/groups obliged to notify you of important changes and/or provide regular reports? Do you have the power to prohibit credit institution/group structures that may hamper adequate supervision?
7	Do you assess whether persons directing credit institution or unregulated financial firms and holding companies at the top of the group are of sufficient repute and experience? Do you assess the suitability of the major shareholders of the credit institution/group? If not, are there potential obstacles to doing so in the future?
8	How often do you typically discuss with credit institutions/groups their risk management and internal control systems and covering, in case of groups, unregulated financial firms? Do you take into account or rely on assessments by other supervisors?
(a)	Within your own country
(b)	In EU countries
(c)	In other countries
(d)	Do you assess the quality of credit institutions/groups systems and controls and management of risks concentrations or intra-group transactions?

C1: Quantitative individual/group assessment (capital adequacy)

9	Are credit institutions/groups subject to binding capital adequacy requirements and required to report to you an overall capital adequacy calculation or estimate? If so, how frequent is the reporting at individual and
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	group level? If not, what alternative measures do you apply?
10	If so, is the scope of the capital assessment and measurement of individual/group capital comparable to international standards (e.g., Basel II, Basel I, Joint Forum or the EU directives such as the EU Banking Directives 2006/48/EC and 2006/49/EC²) in the following respects? (Please indicate which standard.)
(a)	Does the group for which the calculation is made include the highest parent holding company which is mainly financial (please specify the threshold) and all material financial affiliates including asset management companies (e.g., subsidiaries and participations)? Please specify if any of these may be excluded from the group.
(b)	Does measured group capital exclude intra-group holdings, multiple gearing and excessive leveraging (e.g., by using consolidated group accounts to measure capital or by aggregating individual firms' capital only to the extent that it is not owned by other group companies)? Please explain the techniques used.
(c)	Are the types of instrument allowed as capital on individual/consolidated basis comparable to those under international standards such as the Basel II, Basel I and the Joint Forum (or the EU directives such as the EU Banking Directives 2006/48/EC and 2006/49/EC)? (Please indicate which standard.) Please note any significant differences.
(d)	Please specify deductions made from capital on individual/consolidated basis(e.g., goodwill, intangible assets, investments in non-financial affiliates, other)?
11	Does the overall individual/group capital adequacy measure include calculations or estimates for capital requirements for all major risks, in all material financial entities in the group? If so, please specify:
(a)	Which risks are taken into account when calculating the individual/group's capital requirements (credit risk, market risk, operational risk etc.)?
(b)	Are the requirements similar to those under international standards such as the Basel II, Basel I and the Joint Forum (or the EU directives such as the EU Banking Directives 2006/48/EC and 2006/49/EC)? (Please indicate which standard.) Please note any significant differences.

² Directive of the European Parliament and of the Council on the capital adequacy of investment firms and credit institutions

12	If the overall capital adequacy calculation or estimate shows a shortfall, what remedial action do you require both on individual/consolidated basis?

C2: Quantitative assessment (qualifying holdings outside the financial sector and large exposures³)

13	Are credit institutions/groups required to monitor and report to you large exposures either individually or on a consolidated basis?
(a)	If so, what is the threshold for reporting individually or on a consolidated basis and how frequently do they report?
(b)	Do you apply quantitative limits individually/at the group level or other alternative measures?
(c)	How do you define large exposures and what type of exposures are covered individually/at the group level?
14	Are credit institutions/groups required to monitor and report to you qualifying holdings outside the financial sector?
(a)	If so, what is the threshold for reporting and how frequently do they report?
(b)	Do you apply quantitative limits or other alternative measures?

C3: Assessment of risks and internal capital.

15	Are credit institutions/groups required to have in place strategies and processes for the internal assessment and maintenance of adequate capital in relation to the nature and level of the risks they are or might be exposed? If so, please specify the following:
(a)	Are the requirements for such assessments comparable to international standards (e.g. Basel II, EU directives such as the EU Banking Directives 2006/48/EC and 2006/49/EC)?
(b)	Are credit institutions/groups required to subject these strategies and processes to regular internal review?
16	Do you review these arrangements, strategies, processes and mechanism implemented by credit institutions/groups you supervise? If so, what is the focus of these reviews conducted, and how frequently?
17	Do you require credit institutions/groups to have clear and robust governance

³ large exposures and qualifying holdings – are defined in Directive 2006/48/EC

	arrangements or systems and controls? If so, please specify the following:
(a)	What requirements apply to governance arrangements or systems and controls (e.g. structures, processes, responsibilities, mechanisms)?
(b)	What risks are expected to be covered by the governance arrangements or systems and controls?

D: Disclosure requirements

18	Do you require capital adequacy information to be disclosed publicly by credit institutions/groups on the basis of their individual/consolidated financial situation? If so, please specify the following:
(a)	What type of capital adequacy information is required to be disclosed at the individual/group level (e.g. risk exposures, risk assessment processes, risk management objectives and policies) and how frequently?
(b)	Are the disclosure requirements comparable to international standards (Basel II, EU directives such as the EU Banking Directives 2006/48/EC and 2006/49/EC)?
(c)	What medium and location are used for disclosure?
(d)	Do you require disclosure information to be verified? If so, how frequently?

E: Enforcement powers

19	What measures or sanctions can you apply ultimately if a credit institution/group fails to meet your supervision requirements?
20	Could you also apply measures or sanctions to the unregulated top holding company?

F: Additional information

17	Please describe any other relevant arrangements/requirements which further the objectives of your individual/group supervision (e.g., disclosure requirements)?
18	Please specify (e.g., website address) or attach the most recent and/or relevant

	publicly available documents describing your individual/group supervision arrangements and relevant law.
19.	Please specify if you are acquainted with any assessment conducted by working groups from EU institutions and any other EU bodies (such as CEBS) or conducted by an EU competent authority.
20.	Please mention if the circumstances under which the assessments from pt. 19 had been conducted have been changed and if so, please provide additional information in this respect.