

THE NEW WARDENS... OF THE BANKS

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The entry into force of the European Banking Union will mean that in four months, Spanish banks will become supervised [European Central Bank](#) (ECB).

This change represents a challenge for Spanish banking entities, which are no longer supervised by the Bank of Spain and are beginning a new stage where the rules of the game change. Supervision from the ECB is expected to set aside on-site control and much more attention will be paid to decision-making processes, with remote controls and no responsibility for accounting control.

The European Central Bank (ECB) is preparing to assume its new banking supervisory role under a **Single Supervisory Mechanism (SSM)**.

The SSM will establish a new system of **financial supervision** made up of the ECB and the competent national authorities of the participating European Union countries. These include both countries whose currency is the euro, and those that have another currency, but have decided to establish close cooperation with the SSM.

The specific tasks relating to prudential supervision shall be vested in the **ECB** in accordance with the provisions of the [article 127\(6\) of the Treaty on the Functioning of the European Union](#).

The **main objectives** of the SSM will be to ensure the safety and soundness of the European banking system and to increase financial integration and stability in Europe.

The ECB will be responsible for ensuring the efficient and coherent operation of the SSM, in collaboration with the **national competent authorities** of the participating EU countries.

We hope that this control mechanism will help to overcome the crisis of social credibility of the European financial system and contribute to avoiding future bank collapses that have been so expensive for all of us.

There are no comments yet.