

# European Central Bank (ECB): powers to impose sanctions

2014/0807(CNS) - 11/06/2014 - Legislative proposal

**PURPOSE:** to amend Regulation (EC) No 2532/98 concerning the powers of the European Central Bank to impose sanctions in case of a breach of its regulations or decisions.

**PROPOSED ACT:** Recommendation for a Council Regulation amending Regulation (EC) No 2532/98 concerning the powers of the European Central Bank to impose sanctions.

**ROLE OF THE EUROPEAN PARLIAMENT:** the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

**BACKGROUND:** [Regulation \(EC\) No 2532/98](#) specifies the limits and conditions under which the European Central Bank (ECB) is entitled to impose fines or periodic penalty payments on undertakings for failure to comply with obligations under its regulations and decisions.

**The scope of the ECB's powers to impose sanctions was extended** by [Council Regulation \(EU\) No 1024/2013](#). This Regulation entitles the ECB to impose on the credit institutions it supervises: (a) administrative pecuniary penalties when these institutions breach a requirement under directly applicable Union law; and (b) sanctions in the event of a breach of an ECB regulation or decision.

Against this background, it is of particular importance to **establish a coherent regime for the imposition by the ECB of all administrative penalties** relating to the performance of its supervisory tasks under Regulation (EU) No 1024/2013. Moreover, certain rules contained in Regulation (EC) No 2532/98 differ from those laid down in Regulation (EU) No 1024/2013. These relate in particular to the upper limits of fines and periodic penalty payments, procedural rules, and the limitation periods laid down in Regulation (EC) No 2532/98.

Taking account of the experience gained following several years of application of Regulation (EC) No 2532/98 in the various fields of competence of the European Central Bank (ECB) and the fact that the scope of the ECB's powers to impose sanctions was extended, the ECB suggests making certain amendments to Regulation (EC) No 2532/98.

**CONTENT:** in accordance with the procedure laid down in Article 129(4) of the Treaty on the Functioning of the European Union, **the ECB recommends making the following amendments to Regulation (EC) No 2532/98:**

- inserting a new Article to define some **general principles applying to administrative penalties imposed by the ECB** in relation to its supervisory tasks and sanctions imposed in relation to its non-supervisory tasks and specify the scope of the different provisions applying to them;
- inserting new Articles concerning the **regime applicable to administrative penalties imposed by the ECB** in the exercise of its supervisory tasks. This is to ensure that a single regime applies to all ECB administrative penalties imposed in the supervisory field, while also taking into account the rules laid down in Regulation (EU) No 1024/2013;
- making additional amendments to ensure that the principles and procedures governing the imposition of sanctions laid down in Articles 2 to 4 of Regulation (EC) No 2532/98 are **compatible**

with those governing the imposition by the ECB of administrative penalties in the exercise of its supervisory tasks under Regulation (EU) No 1024/2013.