

Jurisdiction:

Italy

2018 IMN Survey of National/Regional Progress in the Implementation of G20/FSB Recommendations

Contact information

- I. Hedge funds
- II. Securitisation
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List of abbreviations used

Sources of recommendations

List of contact persons from the FSB and standard-setting bodies

National authorities from FSB member jurisdictions should complete the survey and submit it to the FSB Secretariat (imn@fsb.org) by **Friday, 8 June 2018** (*representing the most recent status at that time*). The Secretariat is available to answer any questions or clarifications that may be needed on the survey. Please also provide your contact details for the person(s) completing the survey and an index of abbreviations used in the response.

National authorities are expected to submit the information to the FSB Secretariat using the Adobe Acrobat version of the survey. The Microsoft Word version of the survey is also being circulated to facilitate the preparation/collection of survey responses by relevant authorities within each jurisdiction.

Jurisdictions that previously reported implementation as completed in a particular recommendation are only required to include information about main developments since last year's survey and future plans (if applicable) ("Update and next steps" table). New reforms to enhance the existing framework in that area should be described, but should not lead to a downgrade from implementation completed to ongoing. Jurisdictions that do not report implementation as completed are required to include full information both in the "Progress to date" and "Update and next steps" tables.

As with previous IMN surveys, the contents of this survey for each national jurisdiction will be published on the FSB's website at around the time of the 2018 G20 Summit in Buenos Aires. The FSB Secretariat will contact member jurisdictions ahead of the Summit to check for any updates or amendments to submitted responses before they are published.

I. Hedge funds

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1. Registration, appropriate disclosures and oversight of hedge funds

G20/FSB Recommendations

We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds.
(Seoul)

Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management.
(London)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).

I. Hedge funds

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2. Establishment of international information sharing framework

G20/FSB Recommendations

We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)

Remarks

Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's [Report on Hedge Fund Oversight \(Jun 2009\)](#) on sharing information to facilitate the oversight of globally active fund managers.

In addition, jurisdictions should state whether they are:

- Signatory to the IOSCO MMoU in relation to cooperation in enforcement
- Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO [Principles Regarding Cross-border Supervisory Cooperation](#).

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date	
<input type="radio"/> Not applicable <input type="radio"/> Applicable but no action envisaged at the moment <input type="radio"/> Implementation ongoing <input checked="" type="radio"/> Implementation completed as of	<input type="text" value="19 January 2015"/>
If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification <div style="background-color: #cccccc; height: 200px; width: 100%;"></div>	
If "Implementation ongoing" has been selected, please specify <input type="radio"/> Draft in preparation, expected publication by <input type="text"/>	
<input type="radio"/> Draft published as of <input type="text"/>	
<input type="radio"/> Final rule or legislation approved and will come into force on <input type="text"/>	
<input type="radio"/> Final rule (for part of the reform) in force since <input type="text"/>	

I. Hedge funds

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2. Establishment of international information sharing framework

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>According to Article 7 of the Consolidated Law on Banking (legislative Decree 385/1993) and Article 4 of the Consolidated Law on Finance (Legislative Decree 58/1998) , both the BI and Consob may co-operate by exchanging information or otherwise with foreign authorities (including non-EU competent authorities), provided that they are subject to confidentiality requirements. Information received by Consob or the BI pursuant to activities of international cooperation are covered by official secrecy and may not be transmitted to other Italian authorities or to third parties without the consent of the authority that supplied it. In accordance with article 41 of the Consolidated Law on Finance and the implementing provisions of the BI Regulation on Collective Fund Management (of 19 January 2015, Title VI), the establishment of cooperation arrangements between national competent authorities (BI and/or Consob) and third countries authorities (as required by artt. 113, 114, 115, of the EU Delegated Regulation n. 231/2013) is one of the conditions to authorize the cross border activity of a fund manager. In practice, Consob has signed several MoUs, in addition to the IOSCO MMoU and the ESMA MMoU on cooperation arrangements and exchange of information (former CESR MMoU) and a list of those is available on Consob’s website. Moreover, in accordance with the ESMA Guidelines on the model MoU concerning consultation, cooperation and the exchange of information related to the supervision of AIFMD entities, of July 18, 2012, as at September 2015, ESMA had approved 44 co-operation arrangements between the EU securities regulators and a number of non-EU authorities for the supervision of alternative investment funds, including hedge funds, private equity and real estate funds. The co-operation arrangements include the exchange of information, cross-border on-site visits and mutual assistance in the enforcement of the respective supervisory laws. The agreements cover third-country alternative investment fund managers (AIFMs) that market alternative investment funds (AIFs) in the EU and EU AIFMs that manage or market AIFs outside the EU. The agreements also cover co-operation in the cross-border supervision of depositaries and AIFMs’ delegates. To date, Consob has signed 24 of the above-mentioned arrangements with non-EU national competent authorities. The latest assessment of the implementation of Principle 28 of the 2010 IOSCO Objectives and Principles of Securities Regulation has been carried out in 2013, and the outcome of the FSAP was that the Principle had been fully implemented in Italy.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

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2. Establishment of international information sharing framework

Update and next steps	
<p>Highlight main developments since last year's survey</p> <p>No major developments; the system is already running.</p>	<p>Planned actions (if any) and expected commencement date</p>

Relevant web-links	
<p>Web-links to relevant documents</p>	<p>http://www.bancaditalia.it/competi/vigilanza/normativa/archivio-norme/regolamenti/20120508/REG-19GEN2015.pdf https://www.esma.europa.eu/sites/default/files/library/esma34-32-418_aifmd_mous_signed_by_eu_authorities.pdf https://www.esma.europa.eu/sites/default/files/library/2015/11/2013-998_guidelines_on_the_model_mous_concerning_aifmd.pdf http://www.consob.it/main/consob/cosa_fa/impegni_internazionali/accordi.html https://www.imf.org/external/pubs/ft/scr/2013/cr13353.pdf</p>

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3. Enhancing counterparty risk management

G20/FSB Recommendations

Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)

Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)

Remarks

Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.

In particular, jurisdictions should indicate whether they have implemented recommendation 3 of the IOSCO [Report on Hedge Fund Oversight \(Jun 2009\)](#).

In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III capital requirements for counterparty risk, since it is [monitored separately](#) by the BCBS.

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO [Objectives and Principles of Securities Regulation](#), and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date

- Not applicable
- Applicable but no action envisaged at the moment
- Implementation ongoing
- Implementation completed as of January 2014 (with the)

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- Draft in preparation, expected publication by
- Draft published as of
- Final rule or legislation approved and will come into force on
- Final rule (for part of the reform) in force since

I. Hedge funds

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3. Enhancing counterparty risk management

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Stringent risk management requirements also apply to hedge funds operators. In particular, in accordance with Bank of Italy Regulation on collective asset management and Bank of Italy and CONSOB’s Joint Regulation on organisation and processes of intermediaries, as amended to implement Directive 2011/61/EU on Alternative Investment Fund Managers (AIFMD), AIFMs have to comply with organisational and operational standards such as the risk and liquidity management, due diligence when investing in assets of limited liquidity, valuation of the assets of the AIFs managed, identification, prevention, managing and monitoring of conflict of interests. The latest assessment of the implementation of Principle 28 of the 2010 IOSCO Objectives and Principles of Securities Regulation has been carried out in 2013, and the outcome of the FSAP was that the Principle had been fully implemented in Italy. For insurance sector, the national Regulations require insurance undertakings to have in place investment policies. In particular under IVASS Regulation 36 the investment policy shall be subject to a specific resolution adopted by the administrative body, and shall be reviewed at least once a year before submission to IVASS. Insurance undertakings shall have in place ad-hoc procedures to gauge and manage risks stemming from investments in hedge funds, which include forward-looking quantitative assessment. Additionally undertakings are required to assess the risk exposure to hedge funds both by a look-through analysis and by the asset managers assessment. Focussing more on the insurance-related investment activities, exposure to hedge funds cannot be higher than 10% of the technical provisions that have to be covered. Other actions: Supervisory action connected to the validation of the Credit Counterparty Risk models used by the banks that typically interface Highly Leveraged Institutions: banks are requested to internally authorize (proper internal committees are involved) significant activities with Highly Leveraged Institutions. In its implementation of the standardized approach for credit risk the Bank of Italy envisaged that exposures to investment funds not subject to limitations on the use of leverage (hedge funds) should be assigned a risk weight of 150%. The Bank of Italy may apply a higher risk weight in the event of adverse market conditions. The Bank of Italy may also require a 150% risk weight for exposures to investment funds associated with particularly high risk (see Regulation (EU) no. 575/13 (CRR). In addition, the Bank of Italy’s Guide for the supervisory activities requires on-site inspectors - when assessing counterparty credit risk during on-site inspections - to check whether the bank takes special precautions when it deals with counterparties whose financial conditions can rapidly deteriorate as a consequence of high leverage (e.g. hedge fund).</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

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3. Enhancing counterparty risk management

Update and next steps	
<p>Highlight main developments since last year's survey</p> <p>No major developments for banking system and listed entities; the system is already running. No major developments for the insurance sectors on regulations and practices.</p>	<p>Planned actions (if any) and expected commencement date</p> <p>With regard to the future developments please note that at EU level there is an ongoing negotiation to transpose the new Counterparty Credit Risk (CCR) – Standardised Approach as adopted by the BCBS in 2014 (the so called SACCR). The amendment to the EU prudential framework on CCR framework is likely to change the applicable methods.</p>

Relevant web-links	
<p>Web-links to relevant documents</p>	<p>Consob and the Bank of Italy Regulation on the organisation and procedures of intermediaries providing investment services or collective investment management services: http://www.consob.it/web/consob-and-its-activities/laws-and-regulations https://www.imf.org/external/pubs/ft/scr/2013/cr13353.pdf https://www.ivass.it/normativa/nazionale/secondaria-ivass/regolamenti/2016/n24/Regulation_No._24_of_06.06.2016.pdf?language_id=3</p>

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4. Strengthening of regulatory and capital framework for monolines

G20/FSB Recommendations

Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).

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5. Strengthening of supervisory requirements or best practices for investment in structured products

G20/FSB Recommendations

Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)

Remarks

Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products.

Jurisdictions may reference IOSCO's report on [Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments \(Jul 2009\)](#).

Jurisdictions may also refer to the Joint Forum report on [Credit Risk Transfer-Developments from 2005-2007 \(Jul 2008\)](#).

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

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I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
5. Strengthening of supervisory requirements or best practices for investment in structured products									

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>With regard to collective investment schemes (CIS), asset managers shall ensure a high level of diligence in the selection and ongoing monitoring of investments, in the best interests of CIS and the integrity of the market. For the purpose of the above, they shall, for each CIS, develop a decision making process structured as follows: (a) acquire reliable, up-to-date information as necessary to prepare forecasts and carry out analyses; (b) define the consequent general investment strategies; (c) before ordering the operations, and considering the characteristics of the potential investment, carry out a qualitative and quantitative analysis of its contribution to risk-return profiles and the liquidity of the CIS managed (Article 66 of Consob Regulation no. 16190/2007). Moreover, according to the CRA III Regulation (directly applicable since 21 June 2013) collective portfolio managers shall not solely or mechanically rely on credit ratings for assessing the creditworthiness of an entity or financial instrument, but they shall make their own credit assessment. The same provision has been included in sectoral legislative acts by Directive 2013/14/EU (amending Directive 2003/41/EC on institutions for occupational retirement provision, Directive 2009/65/EC on UCITS and Directive 2011/61/EU on alternative investment funds). In line with such provisions, under a joint and coordinated initiative, on 22 July 2013, CONSOB, Banca d'Italia, IVASS and COVIP issued parallel communications. In addition to the above, it is also worth mentioning that AIFMD, which is effective since July 2013, and has been fully transposed in Italy, provides for conditions to be met by AIFMs investing in securitisation on behalf of investment funds they manage, including retention requirements (similar to those already established under the CRR/CRDIV for the banking sector). In particular, in accordance with article 17 of the Directive, Delegated Regulation (EU) no. 231/2013 (articles 50 and followings), which is directly applicable in Italy, details the conditions to fulfil the above-mentioned conditions for sponsors and originators, as well as for AIFMs exposed to securitisations (for instance, due diligence, systems to manage the ongoing administration and monitoring of credit risk, portfolio diversification, establishment of policies on credit risk, information requirements and access to material data on the credit quality and performance of the underlying assets, disclosure requirements). Similar rules are also provided under the Undertakings for Collective Investment in Transferable Securities Directives (UCITS framework). Solvency II entered into force on 1 January 2016. The Solvency II directive (Directive 2009/138/EC) contains provisions (rules on investment, governance, rules in case of breach) on investment in structured products, which were implemented in the Italian Code of Private Insurance and furtherly amended (May 2015) to incorporate the new requirements (Legislative Decree 12 May 2015 n 74). The Solvency II directive, by introducing requirements on insurers' investment in securitisation, sets more risk-sensitive rules and criteria to reflect properly the specific features of securitisation instruments. These refers to: a. Capital Requirements for all types of investments calibrated as a 99.5% value at risk over a 1 year time horizon; b. due diligence principle to be applied when investing in securitisation; c. governance arrangements d. transparency rules and requirements to publicly disclose information of any investments in securitisation. Please also refer to the European Commission's response. Other actions: Communications issued by the competent authorities.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p> <div style="background-color: #e0e0e0; height: 150px; width: 100%;"></div>

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5. Strengthening of supervisory requirements or best practices for investment in structured products									

Update and next steps	
<p>Highlight main developments since last year's survey</p> <p>At EU level, on 28 December, 2017 a new legislative package on securitization was finalised. Indeed, the above-mentioned package include: (i) the Securitisation Regulation (Regulation EU 2017/2402) that will apply to all securitisations and include due diligence, risk retention and transparency rules together with the criteria for Simple, Transparent and Standardised (“STS”) Securitisations; (ii) amendments to the Capital Requirements Regulation (Regulation EU 2017/2401) to make the capital treatment of securitisations for banks and investment firms more risk-sensitive and able to reflect properly the specific features of STS securitisations. In particular, the first of the two new Regulations, which will be directly applicable in Italy, includes a single Article that will apply to all types of regulated institutional investors engaging in business in or through the EU, providing for detailed and common due diligence provisions and risk retention requirements in relation to investment in securitisations. See also response by the EU Commission. No major developments for the insurance sector.</p>	<p>Planned actions (if any) and expected commencement date</p> <p>The EU Regulations on securitisation are directly applicable in Italy as of 1 January 2019.</p>

Relevant web-links	
Web-links to relevant documents	<p>STS Regulation (Securitisation): http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1515164324229&uri=CELEX:32017R2402</p> <p>CRR Regulation (Securitisation): http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1515164297009&uri=CELEX:32017R2401</p> <p>Communication of July 22, 2012: http://www.consob.it/main/documenti/bollettino2013/c0062557.htm</p> <p>https://www.ivass.it/normativa/nazionale/primaria/Code_of_Private_Insurance.pdf?language_id=3 http://ec.europa.eu/finance/insurance/solvency/solvency2/index_en.htm</p> <p>https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-markets/securities-markets/securitisation_en</p>

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6. Enhanced disclosure of securitised products

G20/FSB Recommendations

Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)

Remarks

Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.

See, for reference, IOSCO’s [Report on Principles for Ongoing Disclosure for Asset-Backed Securities \(Nov 2012\)](#), [Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities \(Apr 2010\)](#) and [report on Global Developments in Securitisation Regulations \(November 2012\)](#), in particular recommendations 4 and 5.

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

Draft in preparation, expected publication by
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I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
6. Enhanced disclosure of securitised products									

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>According to the Italian securitisation law (Law no. 130/1999), the purchaser or the company issuing the securities, if the two are different entities, must draft a prospectus (Article 2). According to Article 94 paragraph 3 and Article 113 paragraph 1 of Legislative Decree no. 58/1998, the prospectus for public offers and admissions to trading of EU financial instruments must be drafted in compliance with models provided for in the relevant EU legislation. The prospectus must be approved by Consob and published according to the said Legislative Decree no. 58/1998 and Consob Regulation no. 11971/1999 on issuers. It must be delivered to the holders of securities upon request (Article 2 paragraph 7 of Law no. 130/1999). Pursuant to Article 2 paragraph 3 of the above mentioned Law, if the securities are offered to professional investors, the prospectus must contain the following information: (a) the seller and the purchaser, the main features of the transaction, with regard to both receivables and the securities issued to finance the transaction; (b) the arranging and placing agent; (c) the collecting and paying agent; (d) the conditions upon which the purchaser is permitted to assign the receivables, for the benefit of the holders of the securities; (e) the conditions upon which the purchaser can re-invest (in other financial investments) the funds deriving from the management of the receivables which are not immediately utilised to satisfy the rights of the securities holders; (f) any ancillary financial transactions executed to complete the securitisation; (g) the key terms and conditions of the notes and how the prospectus will be publicised in order to make it easily available to the holders of the securities; (h) the transaction costs and the conditions upon which the purchaser can deduct them from the sums paid by the debtor(s), as well as an indication of the anticipated profits of the entire transaction and who will receive those profits; and (i) any shareholding between the seller and the purchaser. Moreover, as far as structured products are concerned, the CRA III Regulation (Regulation (EU) no. 462/2013), which is directly applicable in Italy: (i) requires the issuer, the originator and the sponsor of a structured finance instrument established in the Union to jointly disclose to the public - through a centralized website operated by ESMA - specific information on structured finance products on an ongoing basis (i.e. information on the credit quality and performance of the underlying assets of the structured finance instrument, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure as well as any information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures); (ii) requires issuers or their related third parties that intend to solicit a credit rating on a structured finance instrument to engage at least two different credit rating agencies, independent from each other, for the provision of the rating; (iii) sets forth a rotation mechanism for credit rating agencies issuing credit ratings on re-securitisations. Furthermore, for originators, sponsors and original lenders, the sectoral legislation (CRR, AIFMD, UCITSV, Solvency II) provides for disclosure requirements in relation to the applicable risk retention obligations when investing in such securities or instruments. To this end, sponsor and originator institutions shall ensure that prospective investors have readily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure as well as such information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures. Detailed provisions in this respect are established under the Commission Delegated Regulations no. 625/2014 and no. 231/2013. The +</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p> <div style="background-color: #e0e0e0; height: 150px; width: 100%;"></div>

I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
6. Enhanced disclosure of securitised products									

Update and next steps	
<p>Highlight main developments since last year's survey</p> <p>As also mentioned above under recommendation no. 5, on 28 December, 2017 a new legislative package on securitisations including provision on disclosure requirements was finalised. In particular, the Regulation on a common framework for securitisations ensures that investors will have all the relevant information on securitisations at their disposal. It covers all types of securitisations and applies across sectors. To facilitate both the use of the information by investors and the disclosure by originators, sponsors and Securitisation Special Purpose Entity (SSPE) the Regulation requires originators, sponsors and SSPE's to make freely available the information to investors, via standardised templates, on a website that meets certain criteria such as control of data quality and business continuity. Specific rules are also established for those transactions qualified as Simple, Transparent and Standardised ("STS") Securitisations. MiFID2/MiFIR package is implemented in Italy (applicable as of 3 January 2018) and provides strengthened disclosure requirements for investment firms in the provision of investment services. See also response by the EU Commission.</p>	<p>Planned actions (if any) and expected commencement date</p> <p>The EU Regulations on securitisation are directly applicable in Italy as of 1 January 2019.</p>

Relevant web-links	
Web-links to relevant documents	<p>Law no. 130/1999: http://www.consob.it/main/documenti/Regolamentazione/normativa/leg130.htm?hkeywords=&docid=2&page=0&hits=7#2</p> <p>STS Regulation (Securitisation): http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1515164324229&uri=CELEX:32017R2402 CRR Regulation (Securitisation): http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1515164297009&uri=CELEX:32017R2401</p> <p>Legislative Decree no. 58/98 and implementing regulations: http://www.consob.it/web/consob-and-its-activities/laws-and-regulations</p>

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7. Consistent, consolidated supervision and regulation of SIFIs

G20/FSB Recommendations

All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)

Remarks

Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs.

Jurisdictions should not provide details on policy measures that pertain to higher loss absorbency requirements for G/D-SIFIs, since these are monitored separately by the BCBS.

See, for reference, the following documents:

BCBS

- [Framework for G-SIFIs \(Jul 2013\)](#)
- [Framework for D-SIFIs \(Oct 2012\)](#)

IAIS

- [Global Systemically Important Insurers: Policy Measures \(Jul 2013\) and revised assessment methodology \(updated in June 2016\)](#)
- [IAIS SRMP guidance - FINAL \(Dec 2013\)](#)
- [Guidance on Liquidity management and planning \(Oct 2014\)](#)

FSB

- [Framework for addressing SIFIs \(Nov 2011\)](#)

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

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7. Consistent, consolidated supervision and regulation of SIFIs									

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <div style="background-color: #e0e0e0; padding: 5px;"> <p>Directive 2013/36/EU (Capital Requirements Directive IV - CRDIV) introduces in Europe the discipline on capital buffers for global systemically important institutions and other systemically important institutions (G-SIIs and O-SIIs buffer). In particular, for G-SIBs, the calibration and identification methodology outlined in the CRDIV resemble very closely the BCBS framework harmonized at the global level. As for the O-SIIs, although no global framework is in place, CRDIV prescriptions are in line with EBA guidelines and the BCBS principles. The Bank of Italy is the authority in charge of both identifying the GSIIIs and O-SIIs located in its jurisdiction and setting the corresponding capital buffers. Bank of Italy Circular 285/2013 implements CRDIV provisions on capital buffers in Italy. Within the context of Basel II Pillar 2, institutions deemed as systemically important are also subject to more stringent prudential requirements, especially for risk control/measurement procedures and corporate governance. Moreover, the internal guidance for supervisory activity sets higher standards for those institutions. The same approach has been adopted at Euro-area level. The European Central Bank Risk Assessment System for banking supervision links the supervisory engagement of a bank with its systemic relevance. In the absence of a specific EU legislation, the implementation for G-SIIs of the recommendations is addressed via supervisory actions and monitoring. The Italian participation into the relevant regulatory debates on policy and methodologies is driven by the aim to reinforce a consistent and consolidated supervision and regulation. In this context, IVASS actively contributes to the IAIS work related to G-SIIs issues, and has completed the implementation of the IAIS policy measures (enhanced supervision and effective resolution) towards the Italian group Generali, initially designated as a G-SII in 2013 and 2014. Based on the outcome of the assessment methodology and the recent revision process as well as on the qualitative information Generali Group has no longer the status of G-SII as from November 2015. Despite that, IVASS considers it worth maintaining the supervisory approach and the policy measures framework unchanged, by applying to Generali Group some of the IAIS/FSB measures for the systemic entities (all except the higher loss absorbency requirements, which will be in any case applicable to all GSIIIs only as of 2019). This is pursued with a twofold perspective: (i) to ensure that Generali is following the correct path in case it is back on the designation list; (ii) to reinforce a consistent and consolidated supervision and regulation to this group in line with the international policy developments. Please also refer to the European Commission’s response</p> <p>Other actions: For banking sector, supervisory processes and prudential regulation take systemic importance of financial institutions into account, consistently with a proportionality criterion. For insurance sector, enhanced supervision and recovery and resolution measures.</p> </div>	

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
7. Consistent, consolidated supervision and regulation of SIFIs									

Update and next steps

Highlight main developments since last year's survey

As for the G-SIBS, on December 15, 2017 the Bank of Italy (BoI) has once again identified the UniCredit banking group as a global systemically important institution (G-SII) authorized to operate in Italy. UniCredit group has been included in the first subcategory of global systemic importance; as a consequence, and also considering the phase-in period defined by CRD IV, the UniCredit group is required to maintain a capital buffer for the G-SIIs equal to respectively 0,75 per cent from 1 January 2018, 1 per cent from 1 January 2019. As for the O-SIIs, on November 30, 2017 the BoI has identified the UniCredit, Intesa Sanpaolo, Monte dei Paschi di Siena and Banco BPM banking groups as other systemically important institutions (O-SIIs) authorized to operate in Italy in 2018. The four groups will have to maintain a capital buffer for the O-SIIs of 1.00, 0.75, 0.25 and 0.25 per cent respectively of their total risk exposure, to be achieved within four years, starting from 1 January 2018 for the first three groups, from 1 January 2019 for Banco BPM. The decision to identify the four banking groups as O-SIIs was taken pursuant to BoI Circular No. 285/2013 on prudential regulations for banks, which implements Directive 2013/36/EU (CRD IV) in Italy and specifies the criteria on which the methodology for identifying the O-SIIs is based. The assessment was carried out following the European Banking Authority Guidelines (EBA/GL/2014/10), which outlines the criteria and the data required to identify O-SIIs in EU jurisdictions. The assessment covered all banking groups, as well as all banks not part of a banking group, operating in Italy. Investment firms operating in Italy were exempted, consistently with the option acknowledged by the EBA relevant authorities not to include such companies whenever indicators conceived for banks were inappropriate to determine the intrinsic riskiness of investment firms. The identification process considered, for each bank or banking group, the four categories set by the EBA Guidelines to determine their systemic importance within each jurisdiction, i.e.: size, importance in the Italian economy, complexity, and interconnectedness with the financial system. Considering the data as at 31 December 2016, the overall score which indicates the domestic systemic importance of the four banking groups is above the threshold set at 350 basis points that the EBA Guidelines use to identify O-SIIs. To calibrate the O-SII buffer, six buckets of 

Planned actions (if any) and expected commencement date

Participation into the European regulatory debates aimed at introducing the revised G-SIB framework, approved in March 2018 by the BCBS. The outcome of the ABA project (activity based approach) expected by the end of the current year, will address the follow-up works such as the revision of the ICPs and the Comframe.

Relevant web-links

Web-links to relevant documents

- <https://www.bancaditalia.it/compiti/stabilita-finanziaria/politica-macropрудenziale/identif-unicredit-2017/index.html>
- <https://www.bancaditalia.it/compiti/stabilita-finanziaria/politica-macropрудenziale/identificaz-gruppi-bancari-2017/index.html>
- <http://www.iaisweb.org/index.cfm?event=getPage&nodeId=25233>
- <http://www.iaisweb.org/page/supervisory-material/financial-stability-and-macropрудential-policy-and-surveillance/file/61179/updated-g-sii-assessment-methodology-16-june-2016>

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
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8. Establishing supervisory colleges and conducting risk assessments

G20/FSB Recommendations

To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)

We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2017 IMN survey. The BCBS and IAIS will be monitoring implementation progress in this area with respect to banks and insurers respectively.

9. Supervisory exchange of information and coordination

G20/FSB Recommendations

To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)

Enhance the effectiveness of core supervisory colleges. (FSB 2012)

Remarks

Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the [September 2012](#) BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.

Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

Draft in preparation, expected publication by
 Draft published as of
 Final rule or legislation approved and will come into force on
 Final rule (for part of the reform) in force since

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
9. Supervisory exchange of information and coordination									

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>BI, Consob and IVASS cooperate to facilitate the discharge of their respective supervisory and regulatory responsibilities. According to art. 7 of the Consolidated Banking Law and art. 4 of the Consolidated Law on Finance, BI, Consob and IVASS may not invoke professional secrecy in their dealings with each other. As regards international cooperation, according to Article 7 of the Consolidated Law on Banking and Article 4 of the Consolidated Law on Finance BI and Consob may cooperate, with or without entering into cooperation agreements, both with EU and non-EU competent authorities in order to facilitate the performance of their respective functions. This includes the exchange of confidential information, subject, in case of third country authorities, to the existence of adequate provisions concerning professional secrecy. In October 2007, BI and Consob signed an MOU that established two permanent committees: (i) the strategic committee to discuss and exchange information on major issues, and (ii) the technical committee that deals with operational aspects and implementation of guidance issued set by the strategic committee. In addition, specific Protocols discipline their cooperation on particularly relevant shared duties as cooperation in the supervision of investment services and asset management activities, in the supervision of financial conglomerates, and in the safeguard of financial stability. Securities sector: The results of the 2013 FSAP carried out by the IMF acknowledge the existence of effective arrangements and a robust regulatory and supervisory framework to ensure coordination and cooperation on a national and cross-border level. Consob’s ability to provide information to foreign regulators has been assessed as part of the screening process under the IOSCO MMoU. Consob is a signatory to that agreement and to the ESMA (former CESR) MMoU. In addition, it has entered into a large number of bilateral MoUs with other securities and financial services regulators dealing with the exchange of information for enforcement purposes (for instance, specific protocols with other EU competent authorities for the supervision of branches of banks or investment firms providing investment services in Italy, within the framework of the CESR protocol for the supervision of branches under MiFID (CESR/07-672), as well as the AIFMD MoUs indicated above). Moreover, Consob participates to a number of international groups, including groups at ESMA and IOSCO level aimed at, among others, strengthening information exchange and cooperation between competent authorities. In addition to the above, MAR new provisions on cooperation (directly applicable in Italy) further strengthen the principles of cooperation and exchange of information among competent authorities (see next column). Furthermore, ESMA and the ECB have concluded a Memorandum of Understanding (MoU) that will allow the exchange of information and cooperation to help both authorities in fulfilling their respective mandates. The framework proposed by the MoU covers cooperation in the field of statistics, risk management, supervision, market infrastructures and regulation. It also includes a cooperative arrangement between the ECB, relevant national central banks (NCBs), ESMA and the authorities competent to supervise CSDs participating in T2S that is to be signed by the parties. See also the response from the UE Commission. Banking sector: The BI cooperates with foreign financial authorities in accordance with the framework set by the EU legislation which provide for that the EU bank supervisors must cooperate with each other, with other EU non-bank supervisors and with the EU supervisory authorities. The exchange of information cannot be impeded or impaired by confidentiality obligations (professional and/or bank secrecy). EU legislation bounds all EU supervisors and authorities to comply with stringent confidentiality requirements. +</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
9. Supervisory exchange of information and coordination									

Update and next steps

Highlight main developments since last year's survey

Securities sector: The above-mentioned framework was refined as a consequence of the implementation of MiFID2/MiFIR package, which applies in Italy as of 3 January, 2018. MiFID II established a general framework of cooperation between National Competent Authorities (NCAs) for the implementation of its provisions. MiFID2 provisions also empower ESMA to establish regulatory technical standards, as well as standard forms, templates and procedures for the exchange of information between competent authorities when cooperating in supervisory activity, on-the-spot verifications and investigations for competent authorities, which have been adopted by means of delegated acts of the European Commission, directly applicable in Italy. Article 4 of the Consolidated Law on Finance was also amended to clearly specify that the Bank of Italy and Consob are required to cooperate and exchange information with the European Central Bank with the purpose to facilitate the discharge of the respective mandates, in order to recognize the new competences of the ECB in the supervision of the banking sector. . On June 1, 2017 ESMA issued standards on cooperation between national competent authorities under MAR. . In June 2018 Consob and the Bank of Italy signed a Framework Agreement to reflect and further strengthen their cooperation practices in all areas of their respective institutional competences. The Framework Agreement takes stock of the EU regulatory and institutional developments and will be complemented by more detailed operational protocols. Existing protocols between Consob and the Bank of Italy will also be updated, as necessary.

Banking sector: No major developments in the exchange of information among national and international supervisory authorities; the system is already running since many years, and the same SSM is effectively functioning since more than one.

Insurance sector:

To enhance cooperation with non EU-countries, in January 2018 IVASS has signed a Memorandum of Understanding with the supervisory Authority of Albania. The cooperation and information exchange foresees that effective reciprocity conditions are met including the equivalent obligations of confidentiality about to the performance of supervisory functions. +

Planned actions (if any) and expected commencement date

Further set of standards on cooperation with the other authorities mentioned in art. 25 MAR is under finalisation.

Relevant web-links

Web-links to relevant documents

Legislative Decree no. 58/98 and implementing regulations: <http://www.consob.it/web/consob-and-its-activities/laws-and-regulations>
 MoUs signed by Consob: http://www.consob.it/main/consob/cosa_fa/impegni_internazionali/accordi.html MiFID2: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0065&from=EN> MAR: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0596&from=EN>
<https://www.esma.europa.eu/press-news/esma-news/esma-national-securities-regulators-and-ecb-exchange-information>
https://www.esma.europa.eu/sites/default/files/library/esma70-145-100_final_report_draft_its_cooperation_between_ncas_art_25_of_mar.pdf
http://www.consob.it/documents/46180/46181/Acc_BI_Cnsb_20180608.pdf/da0e3d7e-a4ae-4d03-8c55-b1b89c638205 See also response by EU Commission. +

I II III. Enhancing supervision IV V VI VII VIII IX X

10. Strengthening resources and effective supervision

G20/FSB Recommendations

We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)

Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)

Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)

Remarks

Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB [thematic peer review report on supervisory frameworks and approaches to SIBs \(May 2015\)](#).

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

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I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
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10. Strengthening resources and effective supervision

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Banking and securities sector: The legal mandate and powers of the relevant authorities for the regulation and supervision of financial entities are clearly stated under the Consolidated Law on Banking and the Consolidated Law on Finance providing Bank of Italy and Consob with supervisory powers over investment firms, banks providing investment services and asset management companies. While Bank of Italy is responsible for banking supervision and for the stability of financial intermediaries (see also below for the insurance sector), Consob monitors, among others, the transparency and correctness of investment firms and asset management firms, and the orderly functioning of the markets, and the efficiency and transparency of the market in corporate control and the capital market. The Consolidated Law on Finance contains a number of general principles defining the objectives of the securities regulation regime that guide the exercise by Consob and the Bank of Italy of their regulatory discretions . Moreover, the Italian regulatory regime takes in due account the need to avoid regulatory arbitrage, which is particularly relevant in the area of financial innovation, in view to ensure that the same rules apply regardless to the legal nature of the product, entity and the type of distribution channel, ensuring that there are no unregulated, unsupervised activities. Consob is entrusted with extensive regulatory, supervisory and enforcement powers to perform its mandate . Consob is an independent agency and can adopt decisions without any external political interference. Consob can adopt its own rules and regulations for its internal organization and operation, its staff (employees’ legal and economic treatment) and its financial management. It manages its operating expenses autonomously on the basis of an annual budget approved by the Commission (i.e. the governing body); it decides how to allocate resources and fixes the amount of fees to be paid by supervised entities and market participants. Consob has adequate resources to carry out their securities regulatory functions. It has effective budget autonomy. Consob personnel has constantly increased during the last years and it is professional and skilled, having qualifications in law, economics and finance and participating to ongoing training programs. Consob adopts a structured process of strategic planning to respond to changes in the external scenario which may have an impact on the protection of investors and the achievement of other Consob’s institutional objectives. The process is risk-based and moves from the assessment of market risks associated to changes in the economic and financial system and of regulatory risks associated to the legislative framework, including both a bottom-up (involving all Consob units) and a top-down approach (ensuring sustainability and consistency of the strategies). The process includes analysis of the external and internal contexts, the impact on supervised entities and cost-benefit assessments. Insurance sector: The purpose of supervision is the sound and prudent management of insurance and reinsurance undertakings as well as transparency and fairness in the behaviour of undertakings, intermediaries and the other insurance market participants with regard to: a) stability, efficiency, competitiveness and the smooth operation of the insurance system, b) the protection of policyholders and of those entitled to insurance benefits as well as to consumer information and protection. IVASS is entitled to issue regulations and guidelines to implement the EU and the Italian primary law. By pursuing this objective and according to its remit, IVASS is still focussed on the undergoing adoption process of the solvency II rules. This has led to provisions an enhancement of supervisory strategy and analytical tools to align with, and better reflect the Solvency II risk-based approach. To this purpose, an internal reorganisation took place and resources were reallocated on the key activities. A +</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p> <div style="background-color: #cccccc; height: 150px; width: 100%;"></div>


I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
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10. Strengthening resources and effective supervision

Update and next steps

Highlight main developments since last year's survey

With particular focus on blockchain and distributed ledger technologies, in the last quarter of 2015, the Bank of Italy set up a task force on digital innovations. The group contains representatives from different departments of the Bank, including experts in the field of Information Technology, Economic Research, Payments System Oversight, Monetary Policy, Macro-prudential Analysis and Banking Supervision. The work of the task force aims to encourage the development in the country of private business initiatives dealing with digital innovations, guiding them to operate in accordance with local regulation. In this context, the group also tries to - understand if regulatory or oversight interventions are actually needed; - analyse possible future scenarios in which public blockchains or private distributed ledger technologies can be used by financial intermediaries to streamline their back-office processes; - explore opportunities for central banks to take advantage of emerging digital innovations, in order to carry out their tasks and act in the public interest more efficiently. Moreover, in accordance with the above-described internal strategic process, Consob has established a new Information Infrastructure Division, so as to encourage the automation of supervisory processes. Furthermore, as regards regulation and supervision of high-frequency trading, see response under recommendation no. 19. Consob has also tackled the issue of Fintech in a number of research papers available on its website. In addition to the above, to make a more in-depth reflection on the developments of Fintech, Consob has established a dedicated Fintech working group, also involving the collaboration with some primary Italian universities. The group is coordinating financial education projects, taking into account the work carried out so far at international level and is working on the publication of new reports on financial digitalisation, including on DLT/Blockchain. Consob has recently hired about 60 new employees, including IT experts/engineers. .


As of July 2, 2018 Consob ongoing investigations on door-to- door financial advisers (natural persons) are moved to the Organismo di vigilanza e tenuta dell'albo unico dei consulenti finanziari (OCF), a private institution established by law and 

Planned actions (if any) and expected commencement date

On the basis of the outcome of the work conducted by Consob's Fintech working group, further measures could be envisaged. The studies on Fintech in insurance (Insurtech), on IT innovation and cyber risk initiated last year and are carried out by a dedicated internal cross-function working group will still be on IVASS' agenda for 2018.

Relevant web-links

Web-links to relevant documents

Legislative Decree no. 58/98 and implementing regulations: <http://www.consob.it/web/consob-and-its-activities/laws-and-regulations> Law n. 262/2005: <http://www.camera.it/parlam/leggi/052621.htm> https://www.ivass.it/normativa/nazionale/secondaria-ivass/lettere/2016/lm-12-07/Lettera_al_mercato_7_dicembre_2016.pdf (in Italian only) The full text of the Supervisory risk assessment Guideline is only for BI consultation, not publicly available. An extract can be found at <https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c269/index.html?com.dotmarketing.htmlpage.language=1> Law n. 262/2005: <http://www.camera.it/parlam/leggi/052621.htm> <https://www.ivass.it/pubblicazioni-e-statistiche/pubblicazioni/relazione-annuale/2016/index.html?com.dotmarketing.htmlpage.language=3> (Report on cyber risk in IVASS Annual report) 

11. Establishing regulatory framework for macro-prudential oversight

G20/FSB Recommendations

Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk. (London)

Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)

Remarks

Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis.

Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

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Draft in preparation, expected publication by
 Draft published as of
 Final rule or legislation approved and will come into force on
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I	II	III	IV. Building and implementing macroprudential frameworks and tools	V	VI	VII	VIII	IX	X
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11. Establishing regulatory framework for macro-prudential oversight

Progress to date

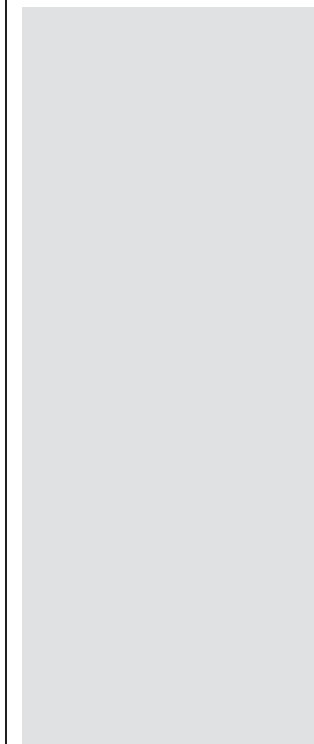
Issue is being addressed through

- Primary / Secondary legislation
- Regulation / Guidelines
- Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Banking and securities sector: In Italy the primary responsibility for safeguarding the stability of the national financial system is assigned to the Bank of Italy, which is the national authority with responsibilities over the banking system and large parts of the rest of the financial system, some important financial markets and financial infrastructures. The legislative decree 12 May 2015 n.72 (article 53-ter on macro-prudential measures) completed the Italy's transposition of the CRD IV and the Bank of Italy has been identified as the designated authority responsible for the activation of the macroprudential instruments provided for by CRDIV/CRR legislation. The Bank of Italy, which plays a prominent role in the field of financial stability, has several means for interacting with the other sectoral authorities. As to the insurance sector, the Governing Board of Ivass partially overlaps with that of the Bank of Italy and is chaired by the Bank's Director General. Furthermore, senior officials from Ivass are regularly involved in the periodical meetings within the Bank of Italy where risks for the financial stability are assessed. Cooperation is also in place, through Memorandum of Understandings, with Covip (pension funds) and Consob (markets). According to the law, requests for information from one of these supervisory authorities to another (including the new macroprudential authority) cannot be opposed if advanced for supervisory purposes. The Bank of Italy has been assessed fully compliant with the ESRB recommendation on intermediate objectives and instruments of macroprudential policy (ESRB/2013/1). All the intermediate objectives considered by the ESRB recommendation are currently pursued by the Bank of Italy. The Bank of Italy has under its direct control at least one macroprudential instrument for each intermediate objective. The activation of such instruments is based on a wide set of indicators used to identify vulnerabilities and risks for the financial system. The main instrument to mitigate excessive credit growth is the Countercyclical Capital Buffer (CCyB). The appropriate level for CCyB is determined by the Bank of Italy using estimates of the aggregate credit-to-GDP gap and an additional set of indicators, which provide reliable early warnings on the build-up of systemic risk in the Italian banking sector. A top-down stress testing framework has been developed to assess the resilience of the financial sector and to monitor the emergence of systemic risks. For assessing the risks to financial stability arising from the real estate market, the Bank of Italy uses a methodology based on two pillars: 1) early warning models; 2) analysis of a wide range of cyclical and structural indicators related to the real estate sector. In addition, a fully-fledged structural model has been developed in which house prices are related to main real determinants (i.e., household disposable income, demographics, dwelling stocks, inflation expectations) and credit variables (i.e., costs and flows of mortgages to households and to developers). The Bank of Italy monitors risks related to "Too-big-to-fail" institutions. The Bank of Italy has identified Unicredit Group spa as a G-SII and O-SII and three other groups as O-SII: Intesa-SanPaolo, Banco BPM and Monte dei Paschi di Siena (for details on the buffers applied, see recommendation 12). According to the Consolidated Law on Finance, the role of Consob in the identification of financial stability risks posed by financial entities, including shadow banking entities, is complementary to that of BI, however Consob contributes to a great extent to risk identification and monitoring. In particular, Consob priorities, strategic objectives and general planning, including non-bank financial entities, are defined through a formal procedure based on a risk-based scenario analysis, which includes both a bottom-up (involving all Consob units) and a top-down approach (ensuring sustainability and consistency of the strategies).

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**



11. Establishing regulatory framework for macro-prudential oversight

Update and next steps

Update and next steps	Planned actions (if any) and expected commencement date
<p>Highlight main developments since last year's survey</p> <p>An European project on “Systemic Risk and macroprudential policy in insurance” where IVASS has actively contributed has been developed within EIOPA with the aim of delivering an EIOPA stance on macroprudential policy in insurance, This piece of work, which is structured in three thematic articles: 1. on the conceptual approach to be applied, 2. on the tools already at hand in the current regulatory framework, 3. on other potential macro prudential tools and measures to enhance the current framework.</p> <p>In parallel ESRB is has been conducting a similar analysis with the aim of publishing a Report on Macroprudential instrument for the insurance sector in November 2018.</p> <p>At a national level IVASS has issued a new Regulation n. 38/2018 laying down provisions on corporate governance, that enable the regulator to gather relevant information on the plan the entities have to prepare to cope with emergency situations in order to assess the potential for failure. The regulation states that undertakings and groups are required to draw up a recovery plan at least annually, to be updated at any time when significant changes to the group organisation or to the activities of the groups' companies occur. The plan has to inform on the major risk sources on a medium-and long term perspective too. On demand, additional qualitative and quantitative information based on risk factors or pre-defined parameters shall be provided to IVASS.</p>	<p>Planned actions (if any) and expected commencement date</p>

Relevant web-links

Web-links to relevant documents	
	<p>http://www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.dataPubblicazioneGazzetta=2016-09-01&atto.codiceRedazionale=16G00181&elenco30giorni=false (IN ITALIAN ONLY) http://www.gazzettaufficiale.it/eli/id/2015/06/12/15G00087/sg (IN ITALIAN ONLY) http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2015-11-16;180 (IN ITALIAN ONLY) http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2015-11-16;181 (IN ITALIAN ONLY) http://www.gazzettaufficiale.it/eli/id/2016/03/8/16G00038/sg (IN ITALIAN ONLY)</p>

12. Enhancing system-wide monitoring and the use of macro-prudential instruments

G20/FSB Recommendations

Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level. (Rec. 3.1, FSF 2009)

We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)

Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)

Remarks

Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.

Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness.

See, for reference, the following documents:

- FSB-IMF-BIS progress report to the G20 on [Macroprudential policy tools and frameworks \(Oct 2011\)](#)
- CGFS report on [Operationalising the selection and application of macroprudential instruments \(Dec 2012\)](#)
- IMF staff papers on [Macroprudential policy, an organizing framework \(Mar 2011\)](#), [Key Aspects of Macroprudential policy \(Jun 2013\)](#), and [Staff Guidance on Macroprudential Policy \(Dec 2014\)](#)
- IMF-FSB-BIS paper on [Elements of Effective Macroprudential Policies: Lessons from International Experience \(Aug 2016\)](#)
- CGFS report on [Experiences with the ex ante appraisal of macroprudential instruments \(Jul 2016\)](#)
- CGFS report on [Objective-setting and communication of macroprudential policies \(Nov 2016\)](#)

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

Draft in preparation, expected publication by
 Draft published as of
 Final rule or legislation approved and will come into force on
 Final rule (for part of the reform) in force since

I	II	III	IV. Building and implementing macroprudential frameworks and tools	V	VI	VII	VIII	IX	X
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12. Enhancing system-wide monitoring and the use of macro-prudential instruments

Progress to date

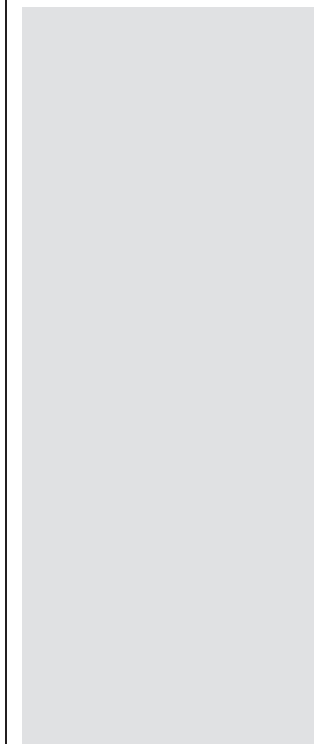
Issue is being addressed through

- Primary / Secondary legislation
- Regulation / Guidelines
- Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Banking and Financial sector: Completion of transposition of CRD IV and introduction of macroprudential instruments. The legislative decree 12 May 2015 n.72 (article 53-ter on macroprudential measures) completed the Italy's transposition of the CRD IV and the Bank of Italy has been identified as the designated authority responsible for the activation of the macroprudential instruments provided for by CRDIV/CRR legislation. The Circular No. 285 'Supervisory provisions for banks' was modified accordingly. Macroprudential instruments have been introduced: (i) identification of UniCredit banking group as a global systemically important institution (G-SII) authorized to operate in Italy in 2015, 2016 and 2017 and (ii) implementation of the capital conservation buffer without any further transitional period (date of entry into force: 1/1/2014). Moreover, BI undertakes ad-hoc system-wide analysis to identify risks and summarizes results in internal notes, and an output in this respect is the Financial Stability Report. Article 136 of Directive 2013/36/EU (Capital Requirements Directive, CRD IV) requires the designated national authorities to adopt a framework for setting macroprudential tools, such as the Countercyclical Capital Buffer (CCyB) rate as of 1 January 2016. The European directive was enacted in Italy by Bank of Italy Circular No. 285/2013 'Supervisory Instructions for Banks'. Legislative Decree 72/2015 nominates the Bank of Italy as the authority designated to adopt macro-prudential measures in the banking sector, including the CCyB. The rules apply to banks and investment firms at the individual and the consolidated level. Based on an analysis of the reference indicators the Bank of Italy has decided to set the CCyB rate (for exposures to Italian counterparties) at zero per cent for all quarters of 2016 and 2017. Moreover the Bank of Italy has identified for 2016 and 2017 the UniCredit, Intesa Sanpaolo and Monte dei Paschi di Siena banking groups as domestic systemically important institutions (other systemically important institutions, O-SIIs) authorized to operate in Italy. For 2018 the new banking group Banco BPM, created following the merger of Banco Popolare and Banca Popolare di Milano, was identified at national level as a systemically important institution (O-SII) in addition to the three groups already identified. The decision to identify the banking groups as O-SIIs was taken pursuant to Bank of Italy Circular No. 285/2013 on prudential regulations for banks, that also specifies the criteria on which the methodology for identifying the O-SIIs is based. The assessment was carried out following the European Banking Authority Guidelines (EBA/GL/2014/10), which set out the criteria and the data required to identify O-SIIs in EU jurisdictions. In October 2016 the Bank of Italy decided to implement the transitional arrangement for the application of the capital conservation buffer (CCoB) provided for by the Capital Requirements Directive 2013/36/EU (CRD IV), which permits its gradual phasing-in. This decision amends the one made in 2013, when the CRD IV was transposed, to bring forward the application of the 'fully loaded' buffer (2.5 per cent of risk-weighted assets) on a consolidated basis for banking groups and individually for stand-alone banks. In 2016 the BoI considered a request for reciprocity in relation to: 1) a measure adopted by the central bank of Belgium to reduce the risks connected with bank exposures collateralized by residential housing situated in that country; and 2) a decision by the central bank of Estonia to impose a systemic risk buffer (SRB) on its own credit institutions. There are no branches of Italian banks in Belgium or in Estonia and any cross-border exposures are of limited amounts, so the Bank of Italy did not take measures. In line with the provisions of Recommendation ESRB/2015/1 (on recognising and setting countercyclical buffer rates for exposures to third countries), which provides that the designated

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**



I	II	III	IV. Building and implementing macroprudential frameworks and tools	V	VI	VII	VIII	IX	X
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12. Enhancing system-wide monitoring and the use of macro-prudential instruments

Update and next steps

Highlight main developments since last year's survey

Banking sector: Based on an analysis of the reference indicators the Bank of Italy (BoI) has decided to set the CCyB rate (for exposures to Italian counterparties) at zero per cent for 2018. The BoI has identified the UniCredit banking group as a global systemically important institution (G-SII) authorized to operate in Italy in 2018. Based on data as at 31 December 2016, the UniCredit group is in the first subcategory of global systemic importance. During the transitional period envisaged under Directive 2013/36/EU, the UniCredit group is required to maintain a capital buffer for the G-SIIs equal to: 0.75 from 1 January 2018; 1.00 per cent from 1 January 2019. The BoI has identified the UniCredit, Intesa Sanpaolo, Banco BPM and Monte dei Paschi di Siena banking groups as other systemically important institutions (O-SIIs) authorized to operate in Italy in 2017. Once fully phased in, the four groups will have to maintain a capital buffer for the O-SIIs of 1.00, 0.75, 0.25 and 0.25 per cent respectively of their total risk exposure. In March 2018 the Bank of Italy assessed a request for reciprocation of a macroprudential measure adopted in Finland to reduce the risks related to exposures of banks to the country's residential real estate market. Italian banks have no branches in Finland and the exposures of banks and Italian financial companies to the Finnish real estate sector are negligible; the Bank of Italy therefore decided to not extend the measure to its own banks but pledged to review the decision in the future in the event of a significant increase in the exposures of Italian banks to Finland.

The regulatory system has remained unchanged since the last year's survey. However, in the meanwhile some initiatives have been undertaken by IVASS, to perform ad-hoc macro-prudential analysis on trend and developments and to identify potential impacts on the national insurance market. The Risk Dashboard has been revised to address financial stability risks more effectively. The change in the methodology and the increased set of indicators (more forward-looking) and graphs are consistent with the revision process in place of the EIOPA Risk Dashboard. The vulnerabilities analysis tools has been further fine-tuned to include emerging risks and a forward looking perspective of the risk assessed, while a network analysis has been

Planned actions (if any) and expected commencement date

See response by EU Commission.

Relevant web-links

Web-links to relevant documents

<https://www.ivass.it/normativa/nazionale/secondaria-ivass/regolamenti/2016/n32/index.html> (in Italian only)
<https://www.bancaditalia.it/compiti/stabilita-finanziaria/politica-macroprudenziale/index.html?com.dotmarketing.htmlpage.language=1>
<https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c285/index.html> (IN ITALIAN ONLY)
<http://www.gazzettaufficiale.it/eli/id/2015/06/12/15G00087/sg> (IN ITALIAN ONLY) <https://www.bancaditalia.it/pubblicazioni/qef/2015-0278/index.html?com.dotmarketing.htmlpage.language=1> <https://www.bancaditalia.it/pubblicazioni/qef/2016-0323/index.html?com.dotmarketing.htmlpage.language=1>

13. Enhancing regulation and supervision of CRAs

G20/FSB Recommendations

All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)

National authorities will enforce compliance and require changes to a rating agency’s practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.

CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.

The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)

Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)

We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)

Remarks

Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:

- [Code of Conduct Fundamentals for Credit Rating Agencies \(Mar 2015\)](#) (including on governance, training and risk management)

Jurisdictions may also refer to the following IOSCO documents:

- Principle 22 of [Principles and Objectives of Securities Regulation \(Jun 2010\)](#) which calls for registration and oversight programs for CRAs
- [Statement of Principles Regarding the Activities of Credit Rating Agencies \(Sep 2003\)](#)
- [Final Report on Supervisory Colleges for Credit Rating Agencies \(Jul 2013\)](#)

Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

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I	II	III	IV	V. Improving oversight of credit rating agencies (CRAs)	VI	VII	VIII	IX	X
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13. Enhancing regulation and supervision of CRAs

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>July 2011 all registration and supervisory responsibilities over credit rating agencies were transferred to ESMA. Registration and certification are core activities within ESMA’s supervisory responsibilities. Applicants are granted registration only if they demonstrate their ability to meet all the regulatory requirements. Any firm that is established in the EU and is carrying out credit rating activities in the EU without prior registration is operating in breach of Articles 2(1) and 14(1) of the Regulation. At the end of 2016, there were 26 EU registered CRAs and 4 certified CRAs (third-country CRAs whose ratings can be used in the UE, subject to a previous decision by the European Commission on the equivalence of the non-EU country regulatory and supervisory regime on CRAs and the establishment of a cooperation arrangement between ESMA and the relevant non-EU country Authority). The EU Regulation requires that CRAs put in place written procedures and methodologies providing for a fair and thorough analysis of all information relevant to credit analyses. CRAs are also required to put in place procedures for permanent monitoring as well as regular updates of credit ratings as new information becomes available. The EU Regulation also requires CRAs to take all necessary steps to ensure that the issuing of a credit rating is not affected by any existing or potential conflict of interest or business relationship involving the credit rating agency issuing the credit rating, its managers, rating analysts, employees, any other natural person whose services are placed at the disposal or under the control of the credit rating agency, or any person directly or indirectly linked to it by control. As regards supervisory aspects, the EU CRA Regulation provides ESMA with a set of enforcement powers in cases where a regulated CRA fails to meet registration requirements after its initial registration including the power to withdraw a firm’s license, if licensing requirements are no longer met. So far, ESMA has conducted a number of thematic and individual investigations in order to verify the level of compliance by registered CRAs with the requirements set forth in the Regulation. Moreover, ESMA has been active ensuring coordination with National Competent Authorities (NCAs) and non-EU regulators and has finalized MoUs with a number of jurisdictions. In addition, the cooperation with third country regulators has been reinforced with the establishment of supervisory colleges and through the enhancement of the on-going dialogue at the IOSCO level, as ESMA contributed to the drafting of the recommendations for Supervisory Colleges for CRAs (published on 30 July 2013 on IOSCO’s website). The Regulation has been amended in 2011 and 2013. See also EU Commission response.</p> <p>Other actions: For instance, MoUs</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I	II	III	IV	V. Improving oversight of credit rating agencies (CRAs)	VI	VII	VIII	IX	X
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13. Enhancing regulation and supervision of CRAs

Update and next steps

<p>Highlight main developments since last year's survey</p> <p>See response by the EU Commission. On March 23, 2017 ESMA issued Guidelines on the validation and review of Credit Rating Agencies' methodologies, to ensure a consistent application of validation and review measures by CRAs.</p>	<p>Planned actions (if any) and expected commencement date</p> <p>See response by the EU Commission.</p>
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Relevant web-links

<p>Web-links to relevant documents</p>	<p>See response by EU Commission.</p>
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14. Reducing the reliance on ratings

G20/FSB Recommendations

We also endorsed the FSB’s principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)

Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)

We reaffirm our commitment to reduce authorities’ and financial institutions’ reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)

We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that would enhance transparency of and competition among credit rating agencies. (Los Cabos)

We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)

Remarks

Jurisdictions should indicate the steps they are taking to address the recommendations of the [May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings](#), including by implementing their [agreed action plans](#). Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.

Jurisdictions may refer to the following documents:

- FSB [Principles for Reducing Reliance on CRA Ratings \(Oct 2010\)](#)
- FSB [Roadmap for Reducing Reliance on CRA Ratings \(Nov 2012\)](#)
- BCBS [Basel III: Finalising post-crisis reforms \(Dec 2017\)](#)
- IAIS [ICP guidance](#) 16.9 and 17.8.25
- IOSCO [Good Practices on Reducing Reliance on CRAs in Asset Management \(Jun 2015\)](#)
- IOSCO [Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the Use of External Credit Ratings \(Dec 2015\)](#).

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of

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14. Reducing the reliance on ratings

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Securities sector: CRA III Regulation (directly applicable since 21 June 2013) establishes principles to reduce overreliance on credit ratings, as well as related regulatory changes in the asset management sector (amendments to the UCITS Directive and AIFMD) and occupational and retirement pensions (amendments to the Occupational Retirement Provision Directive). Initiatives at the national level are to a large extent strictly connected with the implementation of the roadmap set forth under EU legislation to reduce over-reliance on CRA ratings. In particular, under these provisions, reference to mechanistic reliance on credit ratings for assessing the creditworthiness of an entity or financial instrument shall be avoided and own credit assessments should be encouraged. In line with such provisions, under a joint and coordinated initiative, on 22 July 2013, CONSOB, Banca d'Italia, IVASS and COVIP issued parallel communications aimed at reducing over-reliance on credit ratings in the investment choices of collective investment portfolio managers, insurance companies, and pension funds. In particular, Consob draws the attention to the fact that in the exercise of its own management discretion in relation to each UCITS, the collective portfolio manager must adopt correct, transparent and appropriate internal credit risk assessment processes and perform the necessary due diligence activities before ordering the execution of investment or disinvestment transactions related to, or depending from, a certain level of the credit rating or credit rating changes. Moreover, for each UCITS managed, the collective portfolio manager has to keep records documenting the aforesaid analyses and assessment activities that form the basis of the investment and disinvestment decisions taken. See also EU Commission response Insurance sector: In the Insurance Code a specific provision to reduce the mechanistic reliance on external ratings has been introduced (art.30-bis, paragraph 11 and 12), which implements the EU delegated regulation on Solvency II on this matter. IVASS has contributed to the definition of an Implementing Technical Standard (ITS) which regulates the credit rating assigned by certified ECAIs. As described in the ITS, firms have to assess the appropriateness of any external rating with alternative tools in order to avoid the over-reliance. Banking sector: The use of external credit ratings for prudential purposes is regulated by the Reg. UE 575/2013 (CRR), directly applicable to Italian credit institutions and investment firms. In parallel, ESMA has in charge the registration/certification and the supervision of Credit Rating Agencies (CRAs) (see Reg. 1060/2009 and its subsequent updates). On the other end, the Bank of Italy's Guide for the supervisory activities (Circ. 269/2008) states that, in order to assess the quality of the credit portfolio, the in dept analysis on individual exposures must be based on information not connected to external credit ratings (e.g. information contained in Bank of Italy credit register and internal ratings when available). As far as CCPs are concerned, the EMIR regulation and delegated legislation include specific provisions aimed at limiting the reliance on CRAs by CCPs. The Italian CCP, the Cassa di Compensazione, was authorized in May 2014 and, in that occasion, a general check of its compliance with the EMIR regulation was made, including the reliance or not on CRAs. Furthermore, in the ongoing supervision also this issue is monitored by the Italian competent authorities. Italy's action plan to Implement the Financial Stability Board Principles for Reducing Reliance on Credit Rating Agency Ratings has also been published (see link below). Other actions: The Joint Communication by national competent authorities and Italy's action plan (see below).</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I	II	III	IV	V. Improving oversight of credit rating agencies (CRAs)	VI	VII	VIII	IX	X
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14. Reducing the reliance on ratings

Update and next steps	
<p>Highlight main developments since last year's survey</p> <p>Securities sector: As mentioned above, enhanced due diligence and internal risk assessment requirements are provided for investment in securitization under the new Securitisation Regulation. See also EU Commission response.</p> <p>Insurance sector: No major developments to report since last year's survey.</p> <p>Banking sector: Bank of Italy manages an In-House Credit Assessment System (BI-ICAS) of non-financial corporations' credit claims eligible as collateral in monetary policy operations. In accordance with the Eurosystem's general principles on credit assessment, ICAS envisages a preliminary statistical assessment (ICAS Stat) followed by a qualitative and quantitative assessment by financial analysts (Expert System). In 2015 the Bank of Italy reviewed the statistical methodology used for BI-ICAS and the activity of the ICAS increased with the involvement in the expert system module of analysts of further eight local branches. Since February 2017 eleven local branches have been involved in the activity of rating production. The system is being used in particular by small banks which usually do not have an Internal Rating Based models for the credit risk assessment. At the end of 2017 there were 45 banks which have chosen BI-ICAS to assess the claims they pledge as collateral in monetary policy operations (they were 44 in 2016).</p>	<p>Planned actions (if any) and expected commencement date</p> <p>See EU Commission response.</p>

Relevant web-links	
<p>Web-links to relevant documents</p>	<p>Italy's action plan: http://www.consob.it/main/consob/cosa_fa/impegni_internazionali/FSB_action_plan.html See also EU Commission response.</p> <p>https://www.ivass.it/normativa/nazionale/primaria/Code_of_Private_Insurance.pdf?language_id=3</p> <p>https://www.bancaditalia.it/compiti/polmon-garanzie/gestione-garanzie/qualita-crediti/index.html?com.dotmarketing.htmlpage.language=1</p>

15. Consistent application of high-quality accounting standards

G20/FSB Recommendations

Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)

Remarks

Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards.

Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: <http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx>.

As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value recognition, measurement and disclosure.

In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.

See, for reference, the following BCBS documents:

- [Supervisory guidance for assessing banks' financial instrument fair value practices \(Apr 2009\)](#)
- [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#)
- [Regulatory treatment of accounting provisions - interim approach and transitional arrangements \(March 2017\)](#)

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of Financial statements

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

Draft in preparation, expected publication by
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I II III IV V VI. Enhancing and aligning accounting standards VII VIII IX X

15. Consistent application of high-quality accounting standards

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>As required by the Italian and the European Union’s legislation, the financial statements must conform with the requirements of the relevant European directives and with the IFRS issued by the International Accounting Standards Board (IASB) as endorsed in the European Union. According to Regulation (EC) n° 1606/2002 the International Financial Reporting Standards (IFRS) are incorporated into EU legislation by the European Commission if they meet the criteria provided by the Regulation. The IFRS are endorsed by the Commission after obtaining the binding opinion of the committee composed of representatives from Member State (ARC -Accounting Regulatory Committee). The legislative Decree 38/05 identifies the companies which are mandatorily required or permitted to adopt the International Accounting Standards (IAS/ISFR) in preparing Consolidated and Separate Financial Statements, as follows: - Publicly traded entities, banks, publicly accountable entities, regulated financial entities are mandatorily required to fill their consolidated and separate financial statement according to IAS/IFRS, including issuers whose securities are widely held; - Publicly traded insurance entities/ private insurance entities are mandatorily required to fill their consolidated financial statement according to IAS/IFRS; - Entities other than those that are allowed to prepare abridged accounts are permitted to fill their consolidated and separate financial statements according to IAS/IFRS. Therefore, the scope of the mandatory application in Italy is wider than that provided by Regulation (EC) no 1606/2002, which is limited to consolidated financial statements of publicly traded entities. The wide use in Italy of an high quality set of accounting standard is aimed at improving investor protection and enhancing their confidence. The Bank of Italy issues the national regulation (Circular n. 262/2005) regarding standardized schemes and templates, in order to ensure a consistent and homogeneous “disclosure” in the Financial statements published by banks and other supervised financial intermediaries. The Bank of Italy has reviewed the schemes and templates of Circular n. 262/2005 due to the application of IFRS 9 since 1 January 2018. On December 22, 2017, the updated Circular n. 262/2005 was published. Enforcement on financial information issued by listed companies is carried out by Consob on a systematic basis. According to Article 89-quater of Consob Regulation no. 11971/1999 on issuers, Consob shall perform checks of the financial information contained in the documents made public by listed issuers under the law on a sample basis, in accordance with the relevant standards issued by the ESMA (see in this respect ESMA Guidelines on enforcement of financial information, in force since December 29, 2014 and implemented by Consob). According to Article 157 of Legislative Decree no. 58/1998 , the resolution of the shareholders’ meeting or meeting of the supervisory board approving the annual accounts may be challenged by Consob within six months of the entry of the annual accounts or the consolidated accounts in the Company Register. Where the infringement to the reporting framework are material the Commission may submit the case to the Civil Courts. According the article 154-ter of Legislative Decree no. 58/1998, without prejudice to the powers envisaged by Article 157, subsection 2, where it is ascertained that documents comprising the financial statements pursuant to this article do not comply with drafting regulations, Consob may request that the issuer publishes this fact and arrange publication of supplementary information as necessary in order to reinstate correct market information. See also EU Commission response. Other actions: The Bank of Italy contributes to the improvement of international accounting standards participating in the working groups on accounting issues established at the BCBS and EBA level, as well as Consob participates.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I II III IV V VI. Enhancing and aligning accounting standards VII VIII IX X

15. Consistent application of high-quality accounting standards

Update and next steps

Highlight main developments since last year's survey

Securities sector: On March 10, 2017, Consob has also published Communication no. 0031948/17, in accordance with ESMA's statement on European common enforcement priorities for 2016 financial statements, in order to identify the issues in the balance sheets which, in the current market environment, are considered as a priority in terms of disclosure of the information to be provided in the financial reports as at December 31, 2016. The above-mentioned Communication does not introduce additional regulatory requirements but draws the attention of the persons responsible for the drafting of the financial statements to a detailed and exhaustive application of the applicable provisions and accounting principles. See EU Commission response.

Insurance sector: No major change to the national regulation to report. However, after the IFRS principle was issued in May 2017, the EFRAG has initiated the impact assessment and the Draft Endorsement Advice is expected to be delivered by end 2018. IVASS is closely following the progress made through the participation in the dedicated working team of EIOPA.

Banking sector: The Bank of Italy was actively involved in the implementation activities related to the adoption of IFRS 9 (1 January 2018); in particular: - the BCBS Guidelines on accounting for expected credit losses that was published in December 2015; - the EBA Guidelines on credit institutions' credit risk management practices and accounting for expected credit losses published in May 2017 and; - the EBA impact assessments of IFRS 9 on a sample of EU banks. The exercises build on the estimated impact of IFRS 9 on regulatory own funds, the interaction between IFRS 9 and other prudential requirements and the implementation issues relating to IFRS 9. Since 2016, the Bank of Italy has been meeting financial institutions and Assirevi (the association of auditing firms) to verify the degree of implementation of IFRS 9, - the ECB/SSM thematic review on IFRS 9, which aims at: (i) evaluating how institutions are prepared for introduction of IFRS 9; (ii) assessing its potential impact on credit institutions' provisioning practices. See EU Commission response.

Planned actions (if any) and expected commencement date

See EU Commission response.
On the basis of the outcome of the EFRAG's impact assessment on the IFRS 17, national actions to implement the IFRS 17 will be taken.

Relevant web-links

Web-links to relevant documents

Consolidated Law on Finance and relevant implementing regulations: <http://www.consob.it/web/consob-and-its-activities/laws-and-regulations> ESMA Guidelines: https://www.esma.europa.eu/system/files_force/library/2015/11/2014-807_-_final_report_on_esma_guidelines_on_enforcement_of_financial_information.pdf?download=1
Consob Communication no. . 0031948/17 <http://www.consob.it/documents/46180/46181/c0031948.pdf/2d682d8c-ef70-44dd-aac1-b9a307d97189>; See also EU Commission response- <https://www.ivass.it/normativa/nazionale/secondaria-ivass/regolamenti/2007/n07/index.html> (in Italian only)
<https://www.ivass.it/normativa/nazionale/secondaria-ivass/regolamenti/2008/n22/index.html>
https://www.ivass.it/normativa/nazionale/secondaria-ivass/regolamenti/2017/n34/Regolamento_n_34_del_7_febbraio_2017.pdf?language_id=3

16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

G20/FSB Recommendations

Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)

National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)

Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)

We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)

Remarks

Jurisdictions should indicate the measures taken in the following areas:

- guidance to strengthen banks' risk management practices, including BCBS good practice documents ([Corporate governance principles for banks](#), [External audit of banks](#), and the [Internal audit function in banks](#));
- measures to monitor and ensure banks' implementation of the BCBS [Principles for Sound Liquidity Risk Management and Supervision \(Sep 2008\)](#);
- measures to supervise banks' operations in foreign currency funding markets;¹ and
- extent to which they undertake stress tests and publish their results.

Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital requirements for CCPs), since these are [monitored separately by the BCBS](#).

¹ Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

Draft in preparation, expected publication by
 Draft published as of
 Final rule or legislation approved and will come into force on
 Final rule (for part of the reform) in force since

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16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

Progress to date	
<p>Issue is being addressed through</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions)</p> <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Since November 2014 the 13 largest Italian banks are subject to the direct supervision of the Single Supervisory Mechanism (SSM). In the new methodology adopted for banking supervision the quality of the management of liquidity risk is among the most important issues to be assessed for evaluating the viability of banks. Other actions: SSM supervisory manual.</p> <p>For all other Italian banks (less significant institutions), subject to the direct supervision of Bank of Italy, the sound management of liquidity risk is supervised using a methodology in line with IMF and Basel Recommendations and EBA Guidelines on SREP.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

Update and next steps	
<p>Highlight main developments since last year's survey</p> <p>No major developments; the system is already running.</p>	<p>Planned actions (if any) and expected commencement date</p>

Relevant web-links	
<p>Web-links to relevant documents</p>	

17. Enhanced risk disclosures by financial institutions

G20/FSB Recommendations

Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)

We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)

Remarks

Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on [Enhancing the Risk Disclosures of Banks](#) and [Implementation Progress Report by the EDTF \(Dec 2015\)](#), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.

In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the [Impact of Expected Credit Loss Approaches on Bank Risk Disclosures \(Nov 2015\)](#), as well as the recommendations in Principle 8 of the BCBS [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#).

In their responses, jurisdictions should not provide information on the implementation of Basel III Pillar 3 requirements, since this is [monitored separately](#) by the BCBS.

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of 31.12.2013

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

Draft in preparation, expected publication by [redacted]
 Draft published as of [redacted]
 Final rule or legislation approved and will come into force on [redacted]
 Final rule (for part of the reform) in force since [redacted]

17. Enhanced risk disclosures by financial institutions

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Securities sector: In general, in addition to prospectus requirements for public offerings and market abuse disclosure obligations, issuers with securities admitted to trading in a RM, including listed financial institutions, are subject to a comprehensive set of disclosure obligations on a periodic and ongoing basis in accordance with EU legislation. Some disclosure requirements are also provided by the listing rules in relation to issuers of securities negotiated in a MTF (admission document, financial reports, etc), and for issuers whose securities are widely held (defined on the basis of quantitative criteria). In relation to the application of IFRS, see recommendation no. 15. Furthermore, quarterly interim management statements must be published within forty-five days of the end of the first and third quarters of the financial year. They must contain: (i) a general description of the financial position and economic outlook of the issuers and its subsidiaries; (ii) an explanation of material events and transactions that have taken place during the relevant period and their impact on the financial position of the issuer and its controlled undertakings. Sectoral provisions are established for the asset management/investment fund sector, which require asset management companies to prepare an annual and a semi-annual report for each CIS they manage. AMCs' Accounts must be prepared in accordance with IFRS. In addition to the above, for the offering of CIS, the preparation of a comprehensive prospectus is required, which must include all relevant information about the CIS, including, among others, information about the asset valuation methodology; procedures for subscription, redemption and pricing of units; custodial arrangements; investment policy; risks; fees and charges. Offerors of CIS must post (and constantly update) on their website the prospectus, periodic financial reports and, if not included in the prospectus, the fund rules. Updated data on the risk-reward profile and costs of a CIS must be disclosed to investors by the end of February of each year, as well as any changes not otherwise communicated to the information given in the KIID. Moreover, as mentioned above, as far as structured products are concerned, the CRA III Regulation (Regulation (EU) no. 462/2013), which is directly applicable in Italy, requires the issuer, the originator and the sponsor of a structured financial instrument established in the Union to jointly disclose to the public - through a centralized website operated by ESMA - specific information on structured finance products on an ongoing basis (ie information on the credit quality and performance of the underlying assets of the structured finance instrument, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure as well as any information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures). Insurance sector: The Delegated Act 2015/35 and the Solvency II regime (Directive 2009/138/EC) envisage a wide set of rules covering both narrative reporting and quantitative information, aiming at enhancing the public disclosure by insurance undertakings (Delegated Act : TITLE I - chapter XII and title II, chapter V). The EU commission also issued the Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down technical standard with regard to the procedures, formats and templates of the Solvency and Financial condition report. In this context, EIOPA supported the implementation into the EU member States by publishing Guidelines on reporting and public disclosure which provide a supervisory guidance on the disclosure issue. The provisions on public disclosures have been implemented in the Italian Code of Insurance (art. 47-septies, 47-octies, 47-novies and 47-decies and in art. 216-novies) concerning the public disclosure of Solvency and Financial Condition +</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

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17. Enhanced risk disclosures by financial institutions

Update and next steps

Update and next steps	Planned actions (if any) and expected commencement date
<p>Highlight main developments since last year's survey</p> <p>Securities sector: On April 27, 2017 Consob issued amendments to the Consob Regulation on Issuers to strengthen the disclosure in the investment funds' offering documents, among others, on custodians and on compensation policies. Insurance sector: Regarding the public information insurance undertakings publish annually a Solvency and Financial Condition Report reporting on their business annual returns, the system of governance, their risk profile for solvency purposes and the assessment of assets and liability including the capital /management whose according to the SII directive and the EIOPA GLs on this matter. The content of this report submitted by the insurance companies/groups has been carefully assessed by IVASS. We informed the market, through a public statement issued on 28 March 2018, about the outcome of the analysis providing details on the areas of improvement. Same approach was adopted with regards to the comparative analysis of the ORSA Reports; main results of the analysis along with IVASS' expectations on improvements to be achieved were made public with a letter to the market issued on 12 January 2018 .</p> <p>Banking and Financial sector: With a supervisory letter of 31 January 2013 the Bank of Italy required banks to take into account the recommendations provided by the Enhanced Disclosure Task Force in the preparation of their Annual Reports, possibly starting from end-2012 Annual Reports. In addition, some amendments to Circular 262/2005, applying from end-2013 Annual Reports, have been made to take into account the recommendations provided by the Enhanced Disclosure Task Force (EDTF). The disclosure requirements of IFRS 13 "Fair Value Measurement" have been adopted through an amendment of the Circular 262/2005, issued in January 2014. In the context of the implementation of IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" (as amended by IFRS 9), Bank of Italy has published on December 22, 2017 an amendment of the Circular 262/2005 including the new accounting and disclosure requirements. The amendment also reflects the changes to the EBA Implementing Technical Standards (ITS) on the reporting of financial information due to IFRS 9 (as published in November 2016). +</p>	<p>Planned actions (if any) and expected commencement date</p> <div style="background-color: #cccccc; height: 400px;"></div>

Relevant web-links

Web-links to relevant documents	Web-links to relevant documents
	<p>Legislative Decree no. 58/98 and implementing regulations: http://www.consob.it/web/consob-and-its-activities/laws-and-regulationshttps://eiopa.europa.eu/GuidelinesSII/EIOPA_EN_Public_Disclosure_GL.pdf https://www.ivass.it/normativa/nazionale/secondaria-ivass/regolamenti/2016/n33/index.html (in Italian only) https://www.ivass.it/normativa/nazionale/secondaria-ivass/lettere/2016/lm-12-07/Lettera_al_mercato_7_dicembre_2016.pdf (in Italian only) https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c262/index.html</p> <p style="text-align: right;">+</p>

18. Strengthening of national deposit insurance arrangements

G20/FSB Recommendations

National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)

Remarks

Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system.

All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI [Core Principles for Effective Deposit Insurance Systems](#) (November 2014).

In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance (based on IADI’s 2016 [Handbook](#)) with the revised Core Principles:

- If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps;
- If not, jurisdictions should indicate any plans to undertake a self-assessment exercise.

Progress to date

Not applicable
 Applicable but no action envisaged at the moment
 Implementation ongoing
 Implementation completed as of 8 March 2016

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

Draft in preparation, expected publication by [redacted]
 Draft published as of [redacted]
 Final rule or legislation approved and will come into force on [redacted]
 Final rule (for part of the reform) in force since [redacted]

18. Strengthening of national deposit insurance arrangements

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>The transposition process of the EU directive on Deposit Guarantee Schemes (DGSD) has been completed with the Legislative Decree No. 30/2016 enacted in March 2016. With respect to the previous legislative framework, a level of coverage of 100,000 euro per depositor has been confirmed; the main change is the adoption of ex ante funding equal to 0.8% of covered deposits. In addition, the transposition law of Directive on Recovery and Resolution of credit institutions (BRRD), enacted in November 2015, has introduced depositor preference; that is, the DGS subrogating to reimbursed depositors has a preferential ranking in insolvency proceedings.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

18. Strengthening of national deposit insurance arrangements

Update and next steps

Highlight main developments since last year's survey

The transposition process of the EU directive on Deposit Guarantee Schemes (DGSD) has been completed with the Legislative Decree No. 30/2016 being enacted in March 2016. In addition, the transposition law of the Directive on Recovery and Resolution of credit institutions (BRRD), enacted in November 2015, has introduced depositor preference; that is, the DGS subrogating to reimbursed depositors has a preferential ranking in insolvency proceedings.

Planned actions (if any) and expected commencement date

On November 2015 the EU Commission adopted a proposal for a European Deposit Insurance Scheme (EDIS), aimed at mutualizing and reducing banking risks at the EU level while strengthening depositors' protection. According to the proposal, EDIS would progressively evolve from a reinsurance scheme into a fully mutualized co-insurance scheme over a number of years. A joint Deposit Insurance Fund at the Banking Union level would be created: it would be managed by the Single Resolution Board and filled by contributions paid by banks. Some Member States have raised objections to the proposal and its timing, deeming it necessary that further risk reduction measures are implemented as a prerequisite for the EDIS' establishment. In this respect, a draft report amending the Commission's proposal for EDIS has been submitted to the EU Parliament, in which important changes are made to the design of the EDIS' stages and to the timetable for their implementation. Recently, a European Commission Communication on the completion of the Banking Union, issued in October 2017, set forth a proposal along the same lines, aimed at resuming the political debate on EDIS.

Relevant web-links

Web-links to relevant documents

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015PC0586>

19. Enhancing market integrity and efficiency

G20/FSB Recommendations


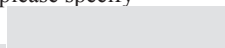
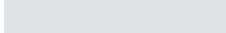

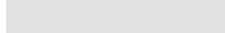
We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)

Remarks

Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.

Jurisdictions should indicate the progress made in implementing the recommendations:

- in relation to dark liquidity, as set out in the IOSCO [Report on Principles for Dark Liquidity \(May 2011\)](#).
- on the impact of technological change in the IOSCO [Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency \(Oct 2011\)](#).
- on market structure made in the IOSCO Report on [Regulatory issues raised by changes in market structure \(Dec 2013\)](#).

Progress to date
<p> <input type="radio"/> Not applicable <input type="radio"/> Applicable but no action envisaged at the moment <input type="radio"/> Implementation ongoing <input checked="" type="radio"/> Implementation completed as of 1999, with the entry  </p> <p>If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification</p> <div style="background-color: #cccccc; height: 300px; width: 100%;"></div> <p>If “Implementation ongoing” has been selected, please specify</p> <p> <input type="radio"/> Draft in preparation, expected publication by  <input type="radio"/> Draft published as of  <input type="radio"/> Final rule or legislation approved and will come into force on  <input type="radio"/> Final rule (for part of the reform) in force since  </p>

19. Enhancing market integrity and efficiency

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Regulation of markets is governed by Title I of Part III of the Consolidated Law on Finance, and related regulations, notably Consob Regulation 16191/2007 on markets, implementing the relevant European legislative acts (mainly Directive 2004/39/EC on markets in financial instruments - MiFID1 - and Directive 2003/6/EC on market abuse - MAD1), aimed at making financial markets more efficient, resilient and transparent and at ensuring the integrity of securities markets. Supervision on regulated markets and trading systems is conducted by Consob. Consob is also the competent authority for market abuse investigations. Trade matching and execution algorithm of automated trading systems are laid down in market and trading systems rules. Consob (and the Ministry for Economy and Finance, after consulting the Bank of Italy and Consob, for wholesale markets in government securities), shall approve any amendment to market rules. Market microstructure and trade matching/execution systems are continuously monitored through the supervised activity carried out by Consob (and the Bank of Italy for wholesale markets in government securities), on orderly conduct of trading. Ad hoc reviews are also carried out where specific changes in the market microstructure are implemented by market operators. Furthermore, RMs and MTFs operators are required to monitor transactions executed by market participants through their trading facilities to identify any infringement of the rules adopted by the market operator, abnormal trading terms or conducts classifiable as market abuse. In this respect, Consob: a) has access to real time data on trading activity in order to be timely aware of any issues arising from the functioning of the trading system; b) directly participate to test activities performed by Borsa Italiana when new functionalities are introduced or updated. On April 4, 2012 Consob issued a specific Resolution (no. DME/120270714) addressed to the Italian operators of regulated markets and MTFs requesting them to comply with the said ESMA Guidelines on systems and controls in an automated trading environment for trading platforms, investment firms and competent authorities from May 1, 2012 and to transmit a self-assessment to Consob by July 1, 2012. As regards the operators of wholesale markets and MTFs in government securities, the Bank of Italy requested them to comply with ESMA Guidelines with a communication on April 30, 2012 and with the Bank of Italy Supervisory Instructions of August 28, 2012. Moreover, on April 30, 2012, the Bank of Italy and Consob have published a joint communication in relation to the systems and controls in an automated environment for intermediaries, in implementation of the said Guidelines. With regard to the risks posed by dark trading (i.e. dark pools, as markets where there is no pre-trade transparency), it is noted that waivers to pre-trade transparency requirements are strictly regulated at EU level. In addition, as required by the EU legislation, each and every use of a waiver by regulated markets and MTF operators need to be previously authorised by Consob. The market microstructure (including the types of orders) is set out in the rules adopted by regulated markets and MTFs operators, as mentioned above respectively approved and verified by Consob or by the Ministry for Economy and Finance for wholesale markets in government securities, after consulting the Bank of Italy and Consob. Information on dark trading and dark orders is included in the data set provided to the regulators. In addition, further transparency in OTC derivative markets is ensured by the provisions of Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties (CCPs) and trade repositories (TRs) (EMIR), which is directly applicable in Italy. In fact, the main obligations under EMIR are: (i) central clearing for certain classes of OTC +</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I II III IV V VI VII VIII IX. Safeguarding the integrity and efficiency of financial markets X

19. Enhancing market integrity and efficiency

Update and next steps

Highlight main developments since last year's survey

The above-mentioned regulatory regime has been further strengthened with the entry into application of the new rules envisaged under MAD/MAR package on July 3, 2016. In particular, the new framework broadens the scope of instruments covered by the market abuse framework, strengthening in particular the regime for commodity and related derivative markets. It explicitly bans the manipulation of benchmarks (such as LIBOR) and reinforces the investigative and sanctioning powers of regulators. Furthermore in 2017 the process for the transposition/implementation of the new rules under MiFID2/MiFIR was completed. In particular, as of January 3, 2018 these new EU legislative acts increasing transparency in the markets (among others, enhanced pre- and post-trade transparency requirements are introduced) fully apply in Italy. They also incorporate the provisions of the above-mentioned ESMA Guidelines on automated trading. On April 5, 2017 ESMA published Q&As providing details on how to implement certain MiFID II - MiFIR regulatory provisions on market structure topics. On April 6, 2017 ESMA published MiFID II Guidelines - Calibration of circuit breakers and publication of trading halts under MiFID, develop common standards for the calibration of their circuit breakers by trading venues that allow or enable algorithmic trading on their systems. On May 4, 2017 the European Commission proposed targeted amendments to EMIR to provide more proportionate and harmonised rules for over-the-counter derivatives. See also EU Commission response. Consob has been undertaking supervisory initiatives to improve the quality of information reported to trade repositories under EMIR and to ensure proper application of MiFID2 new provisions. On May 22, 2017 Consob issued Communication no. 0069306 highlighting the main challenges which reporting counterparties are required to address.

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

ESMA's Guidelines on systems and controls in an automated trading environment for trading platforms, investment firms and competent authorities: http://www.esma.europa.eu/system/files/esma_2012_122_en.pdf Consob Resolution no. DME/120270714 of April 4, 2012: <http://www.consob.it/main/documenti/bollettino2012/c12027074.htm?hkeywords=comunicazione&docid=3&page=0&hits=11> Consob and the Bank of Italy Resolution of April 30, 2012: http://www.consob.it/main/regolamentazione/esma_documenti/index.html MAR: https://ec.europa.eu/info/law/market-abuse-regulation-eu-no-596-2014/amending-and-supplementary-acts/implementing-and-delegated-acts_en#relatedlinks Consob Communication no. 0069306 (in Italian) <http://webint/main/documenti/bollettino2017/c0069306.htm?hkeywords=&docid=11&page=0&hits=111>



20. Regulation and supervision of commodity markets

G20/FSB Recommendations

We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)

We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)

Remarks

Jurisdictions should indicate whether commodity markets of any type exist in their national markets.

Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on [Principles for the Regulation and Supervision of Commodity Derivatives Markets \(Sep 2011\)](#).

Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the [update to the survey](#) published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.

Progress to date
<p> <input type="radio"/> Not applicable <input type="radio"/> Applicable but no action envisaged at the moment <input type="radio"/> Implementation ongoing <input checked="" type="radio"/> Implementation completed as of 2007, with the introduction </p> <p>If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification</p> <div style="background-color: #e0e0e0; height: 200px; width: 100%;"></div> <p>If "Implementation ongoing" has been selected, please specify</p> <p> <input type="radio"/> Draft in preparation, expected publication by [redacted] <input type="radio"/> Draft published as of [redacted] <input type="radio"/> Final rule or legislation approved and will come into force on [redacted] <input type="radio"/> Final rule (for part of the reform) in force since [redacted] </p>

20. Regulation and supervision of commodity markets

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Legislative Decree no. 58/1998 provides for some specific rules applying to energy and gas derivative markets. In particular, article 66-bis of the Consolidated Law on Finance widens the scope of the provisions of Chapter I, Part III, Title I of the Decree, concerning regulated markets (about, for instance, market rules, authorization, recording of transactions, clearing, guarantee and settlement systems, supervision), also to regulated markets for the trading of electricity and gas derivatives and to companies operating such markets. Moreover, article 66-bis sets the conditions for the coordination of competences, roles and functions of Consob (supervising both trades in energy derivatives and the relevant market operator, Borsa Italiana S.p.A.) and the Authority for Electricity and Gas (supervisor of the energy spot markets) and requires the stipulation of special memoranda of understanding. The Autorità per l'energia elettrica e il gas (AEEG - Authority for Electricity and Gas) is the competent authority for the supervision of the underlying energy market, where the reference price for the financial futures contracts is determined. Consob and AEEG signed the required MoU in 2008 for the exchange of the relevant information between the two authorities. The MoU provides for the establishment of a Technical Committee and a Contact Body intended to manage the exchange of information between the two authorities. More in details, Consob and the Authority for Electricity and Gas shall provide to each other mutual assistance and cooperation, including by means of exchange of information. This is without prejudice to the jurisdictions of Consob and the Authority for Electricity and Gas on, respectively, commodity derivatives and on spot markets. According to the aforementioned article, Consob is under a duty to: (i) agree with the Authority for Electricity and Gas on the recognition of foreign energy derivatives markets, the authorisation of Italian enforcement actions against the energy derivatives market operators, the authorisation of relevant clearing and settlement systems, and urgency actions in order to ensure market integrity and transparency, whereas energy derivatives market operators fail to act; (ii) consult the Authority for Electricity and Gas before issuing regulation and resolutions on admission, suspension and exclusion of energy derivatives. The approach followed considers the role of Consob in pursuing transparency, the orderly conduct of trading and investor protection, and the competence of the Authority for Electricity and Gas for the stability and the competitiveness of electricity and gas markets, as well as for the safety and the good functioning of national electricity and gas distribution networks. Moreover, Article 66-bis provides that Articles 64 and 74 of the Consolidated Law on Finance shall apply also to energy and gas derivatives markets. The above-mentioned articles deal with the measures required to the companies authorized to manage a regulated market for the efficient operation of the market (including, for instance the establishment and maintainance of effective devices and procedures for the control and observance of the regulation and the adoption of all the provisions and measures required to prevent and identify insider trading and market manipulation) and the supervisory powers available to Consob in order to ensure the transparency of the market, the orderly conduct of trading and the protection of investors (among which, for instance, the power to request information to the operators of the regulated market and to carry out inspections). Consob may exercise additional powers pursuant to article 187-octies of the Consolidated Law on Finance in respect to market abuse cases. In particular, in this respect, it is worth mentioning that the new European Market Abuse Regulation (MAR) provides for specific rules relating to commodity markets taking into account that trading in financial instruments, including commodity</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets	X
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20. Regulation and supervision of commodity markets

Update and next steps

Highlight main developments since last year's survey

The new rules envisaged under MAD/MAR package are applicable since July 3, 2016. In particular, the new framework broadens the scope of instruments covered by the market abuse framework, strengthening in particular the regime for commodity and related derivative markets. Furthermore, as mentioned above, in 2017 the process for the transposition/implementation of the new rules under MiFID2/MiFIR was finalised. In particular, these new EU legislative acts, applicable in Italy as of January 3, 2018: (i) increase scope of MiFID I with respect to changes to certain exemptions and definition of financial instruments. (ii) introduce harmonised pre- and post-trade transparency requirements. (iii) introduce commodity position limits, which will be set by National Competent Authorities based on a methodology to be determined by ESMA and will apply to all commodity derivatives admitted to trading on a platform; (iv) introduce commodity position reporting requirements onto investment firms trading on-venue and in equivalent commodity OTC contracts.

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

Consolidated Law on Finance and relevant implementing regulations: <http://www.consob.it/web/consob-and-its-activities/laws-and-regulations>
 As regards the MiFID2 package and MAR and subsequent implementing measures, see: https://ec.europa.eu/info/law/market-abuse-regulation-eu-no-596-2014_en
https://ec.europa.eu/info/law/markets-financial-instruments-mifid-ii-directive-2014-65-eu_en
https://ec.europa.eu/info/law/markets-financial-instruments-mifir-regulation-eu-no-600-2014_en MoU between , Consob and the Authority for Electricity and Gas (in Italian):
http://www.consob.it/main/consob/cosa_fa/cooperazione/protocollo_consob_energiagas_20080806.pdf
 See also EU Commission response.



21. Reform of financial benchmarks

G20/FSB Recommendations

We support the establishment of the FSB's Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO's Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)

Collection of information on this recommendation will continue to be deferred given the forthcoming FSB progress report on implementation of FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.

22. Enhancing financial consumer protection

G20/FSB Recommendations

We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)

Remarks

Jurisdictions should describe progress toward implementation of the OECD’s [G-20 high-level principles on financial consumer protection \(Oct 2011\)](#).

Jurisdictions may also refer to OECD’s [September 2013 and September 2014 reports](#) on effective approaches to support the implementation of the High-level Principles. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation.

Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.

Progress to date

- Not applicable
- Applicable but no action envisaged at the moment
- Implementation ongoing
- Implementation completed as of For the securities sec

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- Draft in preparation, expected publication by
- Draft published as of
- Final rule or legislation approved and will come into force on
- Final rule (for part of the reform) in force since

22. Enhancing financial consumer protection

Progress to date	
<p>Issue is being addressed through</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions) <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>The Italian legislation on financial consumer protection is fully aligned with the OECD/G20 principles high level principles on financial consumer protection. As regards the securities sector, according to the Consolidated Law on Finance, Consob has responsibility, among others, for transparency and proper conduct of business by intermediaries (Article 5(3)) and the protection of investors. The rules of conduct applicable in the provision of investment services are set forth in Legislative Decree no. 58/1998 and Consob Regulation 16190/2007. In order to limit regulatory and product arbitrage and enhance investor protection in relation to products more difficult to understand, in 2005 the same financial instruments related distribution and disclosure rules were applied horizontally also to financial products issued or distributed by banks and insurance undertakings, providing specific rules for investment firms on the written format and delivery of the contract, marketing material, and information to be provided to and requested from retail clients when providing investment services. Intermediaries are also required to provide on a periodic basis detailed information to clients about the provision of services, including fees. Moreover, the scope of application of prospectus related requirements was extended to any offer of financial products to the public. The principle to act honestly, fairly and professionally in accordance with the best interests of the clients/collective investment schemes (for asset managers) and the provisions on conflict of interest have been confirmed by the recent regulatory initiatives at EU level (AIFMD, EuVECA, EuSEF, ELTIF) and accordingly transposed/implemented in Italy. In addition to the above, Consob issued a number of Communications in order to ensure an adequate level of investor protection in relation to the distribution and sale of particular financial instruments, such as, for instance, the 2009 Communication on the distribution of illiquid assets to retail investors, the Communication No. 0097996 of 22 December 2014 for intermediaries on the subject of distribution of complex financial products to retail customers, the recent Communication of February 7, 2017 concerning the risks raised by investments in CFDs and binary options. In 2010 Consob also signed a protocol of understanding with the BI, COVIP, ISVAP (now IVASS) and the Competition and Market Ombudsperson to promote and create joint initiatives on the investor protection, to strengthen the existing reciprocal cooperation tools and to coordinate future activities. As member of the European Securities and Markets Authority (ESMA), Consob also organizes consultations on ESMA documents and standards before their adoption. In addition to the above, it is noted that Consob has a Division for Consumer Protection to deal, among others, with investors' complaints. This Division, in accordance with the internal procedure on the complaints' handling, performs a preliminary analysis of the complaints and of the possible action to be taken by Consob and forwarding them to the operational unit in charge of the subject matter to follow up the case. Finally, in the implementation of the European Directive on alternative dispute resolution (ADR) for consumers (2013/11/UE), Consob established by Resolution no. 19602 of May 4, 2016 the Arbitrator for Financial Disputes (AFC), in order to resolve disputes (for compensation up to Euro 500,000) between retail investors and intermediaries for the breach of the conduct rules in the provision of investment services. There is an obligation for intermediaries to join the AFC. In any case, the investor may appeal against the AFC's decisions before the judicial authority. Insurance sector: IVASS is actively involved in the EIOPA projects concerning the Insurance Distribution Directive (IDD). The IDD seeks a level playing field between participants in insurance sales in order to improve consumer protection, market integration and competition. It</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

22. Enhancing financial consumer protection

Update and next steps

Highlight main developments since last year's survey

Securities sector: As mentioned above, in 2016, the AFC was established for the resolution of disputes between retail investors and intermediaries. (a dedicated web-portal is available to that purpose). The number of Consob staff supporting the AFC has been significantly increased over the time. Moreover, enhanced rules are implemented in Italy according to the new MiFIDII/MiFIR package and PRIIPs Regulation, such as product intervention powers. For a detailed description of those rules, see EU Commission response. On March 2018 ESMA resolved issued measures of product intervention to temporary prohibit and restrict the marketing of binary options and CFDs. The relevant decisions applies as of July 2, 2018 (prohibition on binary options) and as of August 1, 2018 (restrictions on CFDs) for a period of three months. ESMA has recently resolved to renew the measures for additional three months. Consob developed new initiatives for investor education, including new sections on its web-sites (besides investor educations on-line tools, Consob has recently launched a new on-line tool to detect abusive financial offers and frauds) and participates to development of a national strategy for investor education. Insurance sector: The two EIOPA projects worth of being mentioned, which IVASS actively committed to, are: a) the EIOPA project on the draft Implementing Technical Standards- (ITS) regarding the standardised presentation of format of the information document for non-life insurance product (IPID), whose document was issued by EIOPA on 7 February 2017, b) the EIOPA project on Regulatory Technical Standards adapting the base euro amounts for professional indemnity insurance and for financial capacity of intermediaries under the Insurance Distribution Directive (IDD). The latter was finalised and sent to the European Commission that is expected to issue very soon the ITS Regulation. The drafting of the EIOPA Q&As on the IDD and its implementing measures - focusing on IBIPs and PoGs matters - is ongoing and IVASS is actively contributing to this piece of work.

Banking sector: Following the transposition of Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property into the national legislative framework, amended accordingly, an updated version of the "Regulation on

Planned actions (if any) and expected commencement date

Enhancement of the consumer protection framework is expected in 2018 as a result of the implementation – through regulation by the Bank of Italy – of the EBA guidelines on product oversight and governance arrangements for retail banking products (POG) and on remuneration policies and practices related to the sale and provision of retail banking products and services, as well as of the EU directives on payment services (PSD2) and payment accounts (PAD).

In particular, the Bank of Italy is finalizing its rules on POG arrangements to update its "Regulation on transparency in banking services and conduct rules in the relationship between intermediaries and clients": the new rules will ensure that retail banking products are manufactured and distributed in accordance with the interests, objectives and characteristics of the group of end customers for whom each product is designed.

Moreover, the Bank of Italy is expected to launch public consultations on additional amendments to this Regulation in relation to:

i) remuneration policies and practices for staff directly offering or providing banking products or services to customers: in

Relevant web-links

Web-links to relevant documents

Consolidated Law on Finance and relevant implementing regulations: <http://www.consob.it/web/consob-and-its-activities/laws-and-regulations>
 Consob Communication of December 22, 2014 http://www.consob.it/mainen/documenti/english/en_newsletter/2015/year_21_n-26_6_july_2015.html#news5 Consob website's section on financial education: <http://www.consob.it/mainen/target/investors/education/index.html> <https://www.acf.consob.it/>
<https://www.bancaditalia.it/compiti/vigilanza/normativa/orientamenti-vigilanza/Remunerazione-affidamenti-e-sconfinamenti.pdf>. As regards MiFID II package and PRIIPs Regulation and subsequent implementing measures, see EU Commission response <https://eiopa.europa.eu/Publications/Consultations/EIOPA%20Technical%20Advice%20on%20the%20IDD.pdf> <https://eiopa.europa.eu/Publications/Technical%20Standards/Draft%20Implementing%20Technical%20Standards%20on%20the%20Insurance%20>

I	II	III	IV	V	VI	VII	VIII	IX	X	List of abbreviations used
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- AIF: Alternative Investment Fund
- AIFMD: Alternative Investment Fund Managers Directive
- BI: Bank of Italy
- BI-ICAS: Bank of Italy - In-House Credit Assessment System
- CCP: Central Counterparty Clearing House
- CCyB: Countercyclical Capital Buffer
- COREP: Common Reporting
- COVIP: Italian Pension Fund Regulatory Authority
- CRA: Credit Rating Agencies
- CRD IV: Capital Requirements Directive
- CRR: Capital Requirements Regulation
- EBA: European Banking Authority
- EBA ITS: Implementing Technical Standards
- ECB: European Central Bank
- EMIR: European Markets Infrastructure Regulation
- ESRB: European Systemic Risk Board
- FINREP: Financial Reporting
- KIID: Key Investor Information Document
- MIFID: Markets in Financial Instruments Directive
- MIFIR: Markets in Financial Instruments Regulation
- NAV: Net Asset Value RM: Regulated Market
- SFT: Securities Financing Transactions
- SRB: Single Resolution Board
- SSM: Single Supervisory Mechanism
- UCITS: Undertakings for Collective Investment in Transferable Securities

Sources of recommendations

- [Hamburg: G20 Leaders' Communique \(7-8 July 2017\)](#)
- [Hangzhou: G20 Leaders' Communique \(4-5 September 2016\)](#)
- [Antalya: G20 Leaders' Communique \(15-16 November 2015\)](#)
- [Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)
- [St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)
- [Los Cabos: The G20 Leaders' Declaration \(18-19 June 2012\)](#)
- [Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)
- [Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)
- [Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)
- [Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)
- [London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)
- [Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)
- [FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)
- [FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)
- [FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)
- [FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)