

Jurisdiction: Italy

2016 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
I. Hedge funds					
1 (1)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)</p> <p>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)</p>	<p>Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO’s Report on Hedge Fund Oversight (Jun 2009), in particular <i>recommendations 1 and 2</i>.</p> <p>In their response, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> - Hedge Funds (HFs) and/or HF managers are subject to mandatory registration - Registered HF managers are subject to appropriate ongoing requirements regarding: <ul style="list-style-type: none"> • Organisational and operational standards; • Conflicts of interest and other conduct of business rules; • Disclosure to investors; and • Prudential regulation. <p>Jurisdictions can also refer to Principle 28 of the 2010 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Final rule (for part of the reform) in force since : <p><input checked="" type="checkbox"/> Implementation completed as of: 1999. The overall regulatory framework has been reviewed in 2013/2014 to implement AIFMD. In April 2015 a revised version of the Regulation on asset management has entered into force.</p> <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), please specify: <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Funds managers have been regulated and supervised in the same way as UCITS</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>The review of the overall regulatory framework on hedge funds and other alternative funds has been completed by implementing the AIFMD into the national legal framework. See also response by the EU Commission.</p> <p>Web-links to relevant documents:</p>

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				<p>Managers since 1999; however, the overall regulatory framework has been reviewed in 2013/2014 in the process of implementation of Alternative investment management directive (AIFMD). Hedge funds managers are subject to authorization and have to comply with rules on general organisation (including specific requirements on risk management), capital adequacy, internal control systems, rules of conduct and conflict of interest. Regulation on funds covers, inter alia, the valuation of fund assets and its NAV calculation, the disclosure obligations towards investors (Annual and semi-annual accounts) and requires the appointment of a depositary with the same duties as UCITS depositaries. Regular reporting of data on positions (at level of single security held by each fund) and risk exposure is provided to the competent authorities on a monthly basis by open ended funds and on semi-annual basis by closed ended funds. The AIFMD has been transposed and implemented in Italy through the amendment of Legislative Decree no. 58/1998 (the Italian Consolidated Law on Finance) by Legislative Decree no. 44/2014. The</p>	

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				<p>necessary related amendments to the implementing national secondary legislation have also been fully adopted and implemented: 1) The Bank of Italy has issued the following provisions (published on the Official Journal of 19.03.2015) effective from 3 April 2015: Provision of 19 January 2015, introducing the new Regulation on collective asset management ('Regulation'), repealing and substituting the provisions by the Bank of Italy dated 8 May 2012; 2) Bank of Italy and CONSOB's Joint provision of 19 January 2015, amending Joint Regulation on organisation and processes of intermediaries of 29 October 2007 ('Joint Regulation'); 3) Consob adopted Resolution no. 19094 of January 8, 2015, amending Consob Regulation no. 16190 of October 29, 2007 on Intermediaries; 4) the Ministry of Economy and Finance (MEF) has adopted the Decree no. 30 of March 5, 2015 implementing article 39 of Legislative Decree no. 58/1998, and replacing Ministerial Decree no. 228 of 24 May 1999, concerning the identification of the general criteria with which Italian collective investment undertakings shall comply. The new</p>	

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				<p>rules under the AIFMD establish a comprehensive legislative framework envisaging regulatory and supervisory standards for hedge funds, private equity and other systemically important market players. The Directive delivers on the G20 commitment, the IOSCO principles of Hedge Fund Oversight and the recommendations of the Joint Forum report on the Differentiated Nature and Scope of Financial Regulation (agreed by European Parliament and Council in November 2010) and also provides a common framework on the macroprudential oversight of the sector, allowing coordinated actions as necessary to ensure the proper functioning of financial markets. In particular, the AIFMD and its implementing Regulation, foresee rules for the mandatory registration/authorisation of AIFMs, the on-going operation of the AIFM's business and rules on transparency and supervision. 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</p>	

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				<p>managed, identification, prevention, managing and monitoring of conflict of interests. Moreover, AIFMs have to make available to investors for each AIF they manage and/or market in the Union information such as a description of the investment strategy, changes to the maximum level of leverage, the risk profile of the AIF.</p> <p>AIFMs have also to comply with rules on initial capital and own funds and have to appoint a depositary which has to safeguard the assets of the AIF either by holding them in custody or by verifying the ownership of the AIF and maintaining a record of these assets and have to ensure that there are consistent and appropriate procedures in place in order to value assets of the AIF properly and independently. The Directive also introduces the possibility to impose limits on leverage and liquidity and requires notification of alternative investment funds to be made to regulators, prior to the marketing of these funds on a domestic or cross-border basis by an AIFM. Regulation 231/2013 adopted by the European Commission on 19 December 2012 and directly applicable in the Member States since</p>	

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				<p>July 22, 2013, establishes a comprehensive reporting template that AIFMs will have to use to comply with their reporting obligations. For the purpose of identifying the build-up of systemic risk by the use of leverage and the potential systemic consequences of the AIFM’s activities, the AIFMD and its implementing Regulation also provide rules on the use of information by competent authorities and the exchange of information between the competent authorities. Moreover, ESMA has adopted the Guidelines on reporting obligations under Articles 3(3)(d) and 24(1),(2) and (4) of the AIFMD, harmonising the definitions, modalities of calculations of data and modalities of representation of the information to be reported to the competent authorities in accordance with the AIFMD.</p> <p>Highlight main developments since last year’s survey:</p> <p>No major developments; the system is already running.</p> <p>Web-links to relevant documents:</p> <p>Consolidated Law on Finance (legislative decree no. 58/1998): http://www.consob.it/mainen/documenti/</p>	

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				<p>english/laws/fr_decrete58_1998.htm 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/mainen/documenti/english/laws/bi_consob_20071029.htm Bank of Italy Regulation of January 19, 2015: http://www.bancaditalia.it/compiti/vigilanza/normativa/archivionorme/regolamenti/20120508/index.html Ministry of Economy Implementing Regulation of Article 39 of Legislative Decree no. 58/1998, concerning the identification of the general criteria with which Italian collective investment undertakings shall comply: http://www.gazzettaufficiale.it/eli/id/2015/03/19/15G00041/sg Consob Regulation no. 16190 of October 29, 2007 as subsequently amended (Consob Regulation on Intermediaries): http://www.consob.it/mainen/documenti/english/laws/reg16190e.htm</p>	

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2 (2)	Establishment of international information sharing framework	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)	<p>Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO's Report on Hedge Fund Oversight (Jun 2009) on sharing information to facilitate the oversight of globally active fund managers.</p> <p>In addition, jurisdictions should state whether they are:</p> <ul style="list-style-type: none"> - Signatory to the IOSCO MMoU - Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO Principles Regarding Cross-border Supervisory Cooperation. 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Final rule (for part of the reform) in force since : <p><input checked="" type="checkbox"/> Implementation completed as of: 19 January 2015</p> <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), please specify: <p>MoUs, see below</p> <p>Short description of the content of the legislation/ regulation/guideline:</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</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>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. Furthermore the BI, Consob, Covip (the pension funds regulator) and IVASS cooperate by exchanging information and otherwise for the purpose of facilitating their respective functions and may not invoke professional secrecy in their mutual relations. According to the BI Regulation on Collective Fund Management (of 19 January 2015, Title VI), the possibility for national competent authorities (BI and/or Consob) to cooperate cross border with third countries foreign ones (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 fund manager Consob has also signed several MoUs, in addition to the IOSCO MMoU and the</p>	

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				<p>ESMA MMoU on cooperation arrangements and exchange of information (former CESR MMoU) and a list of these is available on Consob's website. Moreover, on July 18, 2012, ESMA approved the Guidelines on the model MoU concerning consultation, cooperation and the exchange of information related to the supervision of AIFMD entities. Within the framework of the said Guidelines, 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 above-mentioned agreements have been negotiated by ESMA on behalf of 31 EU/EEA national competent authorities for securities markets supervision. 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</p>	

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				<p>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.</p> <p>Highlight main developments since last year’s survey:</p> <p>No major developments; the system is already running.</p> <p>Web-links to relevant documents:</p> <p>http://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/regolamenti/20120508/REG-19GEN2015.pdf</p> <p>https://www.esma.europa.eu/sites/default/files/library/2015/11/aifmd_mous_signed_by_eu_authorities_by_16_september_15.xlsx</p> <p>https://www.esma.europa.eu/sites/default/files/library/2015/11/2013-998_guidelines_on_the_model_mous_concerning_aifmd.pdf</p> <p>http://www.consob.it/main/consob/cosa_fa/impegni_internazionali/accordi.html</p>	

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3 (3)	Enhancing counterparty risk management	<p>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)</p> <p>Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)</p>	<p>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.</p> <p>In particular, jurisdictions should indicate whether they have implemented recommendation 3 of the IOSCO Report on Hedge Fund Oversight (Jun 2009).</p> <p>In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III, since it is monitored separately by the BCBS.</p> <p>Jurisdictions can also refer to Principle 28 of the 2010 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Final rule (for part of the reform) in force since : <p><input checked="" type="checkbox"/> Implementation completed as of: January 2014 (with the entry into force of the CRR).</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>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 committees are involved) significant activities with Highly Leveraged Institutions. In its</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>IVASS has recently published for consultation a draft regulation on Investment and assets covering technical provision to strengthen the existing provisions on governance and investment risk management (under Regulation n. 36). In line with the Solvency II framework, the draft regulation doesn't set any specific limit on investments, given that capital requirements calibrated on risk exposure are envisaged (i.e. market risk, counterparty risk, etc). The regulation requires insurance undertakings to set quantitative limits according to their risk appetite and to focus more on the assets covering technical provisions, by ensuring compliance with the liability side. Further requirements applied to hedge funds may originate from provisions set for derivatives</p> <p>Web-links to relevant documents:</p> <p>Public consultation document n.26/2015 http://www.ivass.it/ivass/impresse_jsp/PageDocConsultazione.jsp?nomeSezione=</p>

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				<p>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 inspectors – when assessing counterparty credit risk during on-site visits –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>Short description of the content of the legislation/ regulation/guideline:</p> <p>Stringent risk management requirements apply to hedge funds operators. See also response under recommendation no. 1 for further details on the applicable requirements and rules. IVASS issued new Regulations requiring insurance</p>	<p>NORMATIVA&ObjId=192576 (IN ITALIAN ONLY)</p>

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				<p>undertakings to have in place investment policies. In particular under 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.</p> <p>Highlight main developments since last year's survey:</p> <p>No major developments; the system is already running.</p> <p>Web-links to relevant documents:</p> <p>See also under recommendation no. 1.</p>	

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II. Securitisation					
4 (4)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monoline insurers (where these exist).</p> <p>See, for reference, the following principles issued by IAIS:</p> <ul style="list-style-type: none"> • ICP 13 – Reinsurance and Other Forms of Risk Transfer; • ICP 15 – Investments; and • ICP 17 - Capital Adequacy. <p>Jurisdictions may also refer to:</p> <ul style="list-style-type: none"> • IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008). • Joint Forum document on Mortgage insurance: market structure, underwriting cycle and policy implications (Aug2013). 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The Italian insurance market there are no monoline insurers. According to IVASS regulations dated 1991, Italian undertakings cannot underwrite pure financial risks i.e. risks related to the settlement of financial operations, loans,</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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II. Securitisation					
				<p>securitization, stock exchange placing, assets backed securities, etc. In March 2009 IVASS issued Regulation n. 29 recasting and simplifying the above mentioned rules concerning the classification of risks that can (or cannot) be underwritten by insurance undertakings. As of 1 January 2016, Directive 2009/138/EC (the “Solvency II Directive”) is in force. Please refer to the European Commission’s response on this.</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p>	

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5 (5)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)	<p>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.</p> <p>Jurisdictions may reference IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009).</p> <p>Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: July 22, 2013</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</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</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>As mentioned in the previous column, the EU Commission proposals on securitisation are in the process of being discussed by the Council and the European Parliament in order to be adopted. A draft regulation (published on 22/12/2015) on investment and Assets covering Technical provisions was publicly consulted and is currently subject to IVASS' review. As soon as the procedure is finalised the regulation will be issued. Given the information already provided in recommendation 3 (see under "Planned action and expected commencement date"), structured products are applied the same rules, in terms of governance and investment risk management, and are treated similarly to derivatives. The draft Regulation indeed addresses the use of financial derivatives, and envisages provisions to cover these instruments and to deal with potential</p>

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				<p>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). See above in relation to the AIF/AIFM sector. Moreover, according to the CRA III Regulation (directly applicable since 21 June 2013) collective portfolio managers shall not solely or mechanistically 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 directives 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</p>	<p>implications stemming from the collateralization. The use of derivative instruments /structured products is meant to be consistent with the principles of sound and prudent management of the undertaking. The exposure to market risks due to the use of these instruments shall be equivalent to that which can be obtained by directly using the underlying assets based on balanced and prudent portfolio management.</p> <p>Web-links to relevant documents: Public consultation document n.26/2015 http://www.ivass.it/ivass/imprese_jsp/PageDocConsultazione.jsp?nomeSezione=FORMATIVA&ObjId=192576 (IN ITALIAN ONLY)</p>

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				<p>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, in its communication, Consob draws the attention to the fact that in the exercise of its own management discretion in relation to each CIS, 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 CIS 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. 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</p>	

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				<p>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, article 17 of the Directive provides that “In order to ensure cross-sectoral consistency and to remove misalignment between the interest of firms that repackage loans into tradable securities and originators within the meaning of point (41) of Article 4 of Directive 2006/48/EC, and AIFMs that invest in those securities or other financial instruments on behalf of AIFs, the Commission shall adopt, by means of delegated acts [...] measures laying down the requirements in the following areas: (a) the requirements that need to be met by the originator, the sponsor or the original lender, in order for an AIFM to be allowed to invest in securities or other financial instruments of this type issued after 1 January 2011 on behalf of AIFs, including requirements that ensure that the originator, the sponsor or the original lender retains a net economic interest of not less than 5 %; (b) qualitative requirements that must be met by AIFMs which invest in these securities or other</p>	

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				<p>financial instruments on behalf of one or more AIFs”.</p> <p>The Delegated Regulation (EU) no. 231/2013 (articles 50 and followings), which is directly applicable in Italy, details the conditions to fulfil the above-mentioned requirements 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). Identical rules are also provided under the Undertakings for Collective Investment in Transferable Securities Directives (UCITS framework). Moreover, the rules of conduct applicable in the provision of investment services are set forth in Legislative Decree no. 58/1998 and Consob 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</p>	

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				<p>were applied horizontally also to financial products issued or distributed by banks and insurance undertakings. Moreover, the scope of application of prospectus related requirements was extended to any offer of financial products to the public. The European legislation relating to the (re)insurance sector (Directive 2009/138/EC – The “Solvency II Directive”), entered into application on 1 January 2016, introduces for the first time a more risk-sensitive approach to simple, transparent and standardised securitisation (see also Article 177 of Commission Delegated Regulation 2015/35) The Solvency II directive 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 ensures transparency and requirements to publicly disclose information of any investments in securitisation. For more details please refer to the European Commission’s response.</p> <p>Highlight main developments since last</p>	

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				<p>year’s survey:</p> <p>At EU level, it is worth mentioning that, following the a public consultation on a possible EU framework for simple, transparent and standardised securitisation and the publication of the Action plan on building a capital markets union, the European Commission has also adopted a package of two legislative proposals: (i) the Securitisation Regulation 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) a proposal to amend the Capital Requirements Regulation 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. On 2 December 2015 the Council of the European Union agreed on Commission proposal, and discussions with the European Parliament are still ongoing in order to adopt the above-mentioned legislative package. In particular, the first of the two new</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>proposed 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.</p> <p>Web-links to relevant documents:</p> <p>http://www.ivass.it/ivass_cms/docs/F13758/CAP_annotato.pdf (THE UPDATED VERSION IN ITALIAN ONLY)</p> <p>http://ec.europa.eu/finance/insurance/solvency/solvency2/index_en.htm</p> <p>http://www.ivass.it/ivass/impresse_jsp/PageDocumenti_SolvencyII.jsp?&nomeSezione=NORMATIVA&ObjId=1150312</p> <p>Consob Communication of July 22, 2012: http://www.consob.it/main/documenti/bollettino2013/c0062557.htm Delegated Regulation (EU) no. 231/2013: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:083:0001:0095:en:PDF</p> <p>EU Commission proposals on securitisation: http://ec.europa.eu/finance/securities/securitisation/index_en.htm See also EU response.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
6 (6)	Enhanced disclosure of securitised products	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)	<p>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.</p> <p>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.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 1999</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</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</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>The EU Commission proposals on securitisation are in the process of being discussed by the Council and the European Parliament in order to be adopted.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 abovementioned 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 (ie information on the credit quality and performance of the underlying assets of the structured finance instrument, the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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.</p> <p>Detailed provisions in this respect are established under the Commission Delegated Regulations no. 625/2014, Commission Delegated Regulation no. 231/2013 The above-mentioned disclosure shall be appropriately documented and made publicly available, except in bilateral or private transactions where private disclosure is considered by the parties to be sufficient. Furthermore, the disclosure shall also be confirmed after origination. In addition to the above, detailed rules are also established for originators, sponsors and original lenders on specific disclosure requirements on materially relevant data, which should be readily accessible to investors, without excessive administrative burden. In this regard, it is also noted that in 2008, Consob invited all issuers to integrate the information contained in their financial reports to be disclosed, with consolidated information relating to investments in SPV and in structured products, including</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>securitisations. See also EU Commission</p> <p>Highlight main developments since last year's survey:</p> <p>The current above-mentioned framework might be further refined as a consequence of the implementation of MiFID2/MiFIR package and Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (SFT Regulation). In particular, the latter, which is directly applicable in Italy since January 2016, among others, provides for a set of measures aiming to enhancing regulators' and investors' understanding of securities financing transactions (STFs), since these transactions have been a source of contagion, leverage and procyclicality during the financial crisis and have been identified in the EU Commission's Communication on Shadow Banking as needing better monitoring (see also response by the EU Commission). The EU Commission's proposals on securitisations mentioned above under recommendation no. 5, which have not been adopted yet, also include provision</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>on disclosure requirements for securitisations. In particular, the proposal of a 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 proposal 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.</p> <p>Web-links to relevant documents:</p> <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>Legislative Decree no, 58/1998: http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm</p> <p>Delegated Regulation (EÜ) no. 231/2013: http://eur-</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:083:0001:0095:en:PDF SFT Regulation: http://ec.europa.eu/finance/financial-markets/securities-financing-transactions/index_en.htm EU Commission proposals on Securitisations: http://ec.europa.eu/finance/securities/securitisation/index_en.htm See also response by the EU Commission.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
III. Enhancing supervision					
7 (7)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	<p>Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors; (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.</p> <p>In their response to (3) above, jurisdictions should note any significant changes in their approach, strategy or practices to enhance SIFI supervision.</p> <p>Jurisdictions should mention, but not provide details on, policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are monitored separately by the BCBS.</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Jul 2013) • Framework for D-SIBs (Oct 2012) <p>IAIS:</p> <ul style="list-style-type: none"> • Global Systemically Important Insurers: Policy Measures (Jul 2013) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 5 March 2015 (for G-SIBs); 22 January 2016 (for D-SIBs).</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>See below</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>: In Europe the Directive 2013/36/EU(Capital Requirements Directive IV – CRDIV) introduces a</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>In the absence of a specific European legislation on G-SII, 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. To this aim, although the Italian Group Generali has no longer the status of a G-SII, IVASS intends to continue being part of the international discussion and implementation of the methodology and policy measures. In this regard IVASS is meant to apply the enhanced supervision and the recovery and resolutions measures envisaged in the GSII's policy measures, by requesting Geneali to provide an annual update of the systemic risk management plan and the liquidity risk management plan within the group, including in crisis situations, as well as the recovery plan and resolution strategies in the case of a crisis.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<p><i>and initial assessment methodology</i></p> <ul style="list-style-type: none"> • <i>IAIS SRMP guidance - FINAL (Dec 2013)</i> • <i>Guidance on Liquidity management and planning (Oct 2014)</i> <p>FSB:</p> <ul style="list-style-type: none"> • <i>Framework for addressing SIFIs (Nov 2011)</i> 	<p>discipline on capital buffers. Specific provisions relate to buffers for global systemically important institutions and other systemically important institutions (G-SIIs and O-SIIs buffer). The former recalls the G-SIB buffer and identification methodology as set by the BCBS while the latter recalls, with some differences, the BCBS D-SIB framework. As for the O-SIIs the EBA has issued the guidelines that should be taken into consideration by the national authorities to identify the O-SIIs located in their jurisdiction. CRDIV provisions on capital buffers have been implemented in Italy through the Bank of Italy Circular 285/2013. The Bank of Italy is the authority in charge of identifying the GSIIIs and O-SIIs located in its jurisdiction and setting, if appropriate, the corresponding capital buffers. Systemic importance is factored into supervisory processes. The Bank of Italy's prudential regulations already take the systemic importance of supervised financial institutions into account, according to a proportionality criterion. In the context of Basel II Pillar 2, institutions deemed as systemically important are subject to more stringent prudential requirements</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>than other intermediaries, especially for risk control/measurement procedures and corporate governance. At the same time, 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. For what concerns financial conglomerates, in 2006, the Bank of Italy, Consob and IVASS signed a coordination agreement on identification and capital adequacy of financial conglomerates. As regards the insurance sector, IVASS actively participates in 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 (and as of November 2015 no longer a GSII). in 2013 and 2014. Based on the outcome of the assessment methodology testing and the qualitative information of the Group Generali is no longer on the GSII list as from November 2015. Despite that, IVASS considers it</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 GSIs only as of 2019). This is pursued with a twofold perspective: (i) ensure that Generali is following the correct path in the case it is back on the designation list; (ii) reinforce a consistent and consolidated supervision and regulation to this group in line with the international policy developments</p> <p>Highlight main developments since last year's survey:</p> <p>Concerning the G-SIIs assessment, on 30 December 2015 the Bank of Italy has confirmed the decision taken in March 2015 to identify the UniCredit banking Group as a G-SII authorized to operate in Italy as a G-SII (see the web-link below to the G-SII press release). The UniCredit group has been included in the first subcategory of global systemic importance; as a consequence and considering also the phase-in period defined by CRD IV, the UniCredit group</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>is required to maintain a capital buffer for the G-SIIs of an amount equal to 0.5 per cent of its total risk exposure from 1 January 2017. As for the identification of O-SIIs, on 22 January 2016 the Bank of Italy has identified 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 SII (see the web-link below to the O-SII press release). The Bank of Italy has also decided to set the additional capital buffer ('O-SII buffer') at zero per cent for 2016 for the three banking groups. The decision to identify the three banking groups as O-SIIs was taken pursuant to Bank of Italy Circular No. 285/2013 on prudential regulations for banks, which implements Directive 2013/36/EU (Capital Requirements Directive, 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 set out the criteria and the data required to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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, because the position taken by the EBA has been to allow the relevant authorities to exonerate such companies in cases where the indicators devised 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 2014, the overall score which indicates the domestic systemic importance of the three banking groups is above the threshold set at 350 basis points that the EBA Guidelines use to identify O-SIIs. The Bank of Italy's decision to set the O-SII buffer for the three banking groups at zero per cent was justified by a number of reasons, relating to both</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>system-wide and bank-specific factors. Pursuant to the regulations, the decisions on the identification of the O-SIIs and on the level of the O-SII buffer will be reviewed at least once a year.</p> <p>Web-links to relevant documents:</p> <p>https://www.bancaditalia.it/compiti/stabilita-finanziaria/politica-macroprudenziale/documenti/en_GSII_2016_Comunicato.pdf?language_id=1</p> <p>https://www.bancaditalia.it/compiti/stabilita-finanziaria/politica-macroprudenziale/documenti/OSII_2016_comunicato_en.pdf?language_id=1</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
8 (8)	Establishing supervisory colleges and conducting risk assessments	<p>To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)</p> <p>We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of G-SIBs and G-SIIs.</p> <p>Please indicate the progress made in establishing and strengthening the functioning of supervisory colleges for G-SIBs and G-SIIs, including the development of any joint supervisory plans within core colleges and leveraging on supervisory activities conducted by host authorities.</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Principles for effective supervisory colleges (Jun 2014) • Progress report on the implementation of principles for effective supervisory colleges (Jul 2015) <p>IAIS:</p> <ul style="list-style-type: none"> • ICPs 24 and 25, especially guidance 25.1.1 – 25.1.6, 25.6, 25.7 and 25.8 • Application paper on supervisory colleges (Oct 2014) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: See below</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>See below.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>According to Article 4 of the Consolidated Law on Finance (Legislative Decree 58/1998) Consob and the BI may enter into cooperation agreements with other EU competent</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>authorities in order to facilitate the performance of their respective functions; such agreements may provide for the delegation of supervisory tasks. Consob and the BI may as well cooperate, including through the exchange of confidential information, with third country authority, subject to the existence of provisions concerning professional secrecy. The same Article 4 of the Consolidated Law on Finance provides that, in order to facilitate the supervision on a consolidated basis with regards to groups operating in several different EU Member States, on the basis of agreements reached with the competent authorities, the BI defines forms of collaboration and coordination, sets up colleges of supervisors and takes part to colleges of supervisors set up by other authorities. Regulation no. 1095 of 2010 assign a specific role to ESMA to contribute to promoting and monitoring the efficient, effective and consistent functioning of the colleges of supervisors. Consob signed 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>the CESR protocol for the supervision of branches under MiFID (CESR/07-672). As regards market infrastructures (CCP) a role has also been given to ESMA in promoting and monitoring colleges of supervisors under the EMIR Regulation (Regulation no. 648/2012). As regards credit rating agencies, since July 2011 all registration and supervisory responsibilities were transferred to ESMA. ESMA has been active ensuring coordination with National Competent Authorities (NCAs) and non-EU regulators. ESMA has also finalized MoUs with a number of jurisdictions. In particular, NCAs have referred information to ESMA regarding the activities of CRAs in the local financial markets which has been used in the relevant reviews or in other supervisory follow-up. In 2013 supervisory colleges have been established, which met for the first time in November 2013. In addition to the enhancement of the on-going dialogue with third-country authorities at the IOSCO level, ESMA contributed to the drafting of the recommendations for Supervisory Colleges for CRAs (published on 30 July 2013 on IOSCO's website) - which recommended</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>establishing supervisory colleges for internationally active CRAs and provided preliminary guidelines on the colleges' functioning. Moreover, on December 22, 2014, the Joint Committee of the ESAs has published joint guidelines on the supervisory convergence for financial conglomerates, aiming at clarifying and enhancing cooperation between national competent authorities on cross-border groups that have been identified as financial conglomerates. The Joint Guidelines focus on how authorities should cooperate in order to achieve a supplementary level of supervision of financial conglomerates. The Joint Guidelines should also enhance the level playing field in the financial market and reduce administrative burdens for firms and supervisory authorities. The areas covered by the Joint Guidelines include in particular the mapping of the financial conglomerate structure and written agreements; the coordination of information exchange, supervisory planning and coordination of supervisory activities in going concern and emergency situations; the supervisory assessment of financial conglomerates; and other decision-making processes</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>among the competent authorities. The Joint Guidelines apply as from 23 February 2015. See also EU Commission response.</p> <p>Banking sector The BI is the home/consolidating supervisor for the Italian G-SIB Unicredit group (UCG) whose college of supervisors was established in 2006. The college has been holding regular plenary meetings since its establishment. A written MoU for the supervision of UCG has been concluded, in accordance with the EU legislation; it was signed by the relevant EEA and some non-EEA supervisory authorities. Since 2011 the risk assessment process has been conducted according to the EBA Guidelines for the joint assessment of the financial situation, risk profile and the required levels of own funds under Pillar 2 at the consolidated level and at the level of each entity. On 4 November 2014 the Single Supervisory Mechanism started to operate; establishing supervisory colleges and conducting risk assessments for significant cross-border firms is thus now a primary competence of the ECB. ECB is therefore the home supervisor in the UCG college (being UCG a so called "significant banking group") and the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Banca d'Italia participates in the college as observer. This means that the Banca d'Italia continues its regular participation in, and contribution to, the college's tasks and activities and receives all information. Regulations no. 1093, 1094 and 1095 of 2010 assign a specific role to EBA, EIOPA and ESMA to contribute to promoting and monitoring the efficient, effective and consistent functioning of the colleges of supervisors (see response from the EU Commission). The EBA (1) and the Basel Committee (2) have issued guidelines/principles for the operational functioning of the colleges. (1) EBA: Regulatory and implementing technical standards on colleges of supervisors in accordance Articles 51 and 116 of Directive 2013/36/EU (Capital Requirements Directive). (2) Basel Committee on Banking Supervision, Principles for effective supervisory colleges, June 2014. Insurance sector: In the insurance sector colleges of supervisors have been already established for all Italian cross-border groups since 2001, under the aegis of the Helsinki Protocol on the group supervision signed by the EEA supervisory Authorities dated 11 May 2000. Since 2010, all Italian</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>cross-border groups have approved a concrete work plan to coordinate the supervisory work of the different members of the colleges. Following the national implementation of the Directive 2009/138/EC (Solvency II) through the updating of the Italian Code of Private insurance in March 2015 and the implementation of the Guidelines issued by EIOPA and ESAs regarding the functioning of the college of supervisors for cross-border insurance groups and financial conglomerates, in March 2016 IVASS has reviewed its internal Supervisory Guide - “Guide for the supervisory activity” (a handbook of rules governing the supervisory review process, specifically the part regarding the “Cooperation with other supervisory authorities - college of supervisors”). According to Solvency II, the college of supervisors represent the tool for effective and efficient supervision on cross-border insurance groups and financial conglomerates.</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents: https://www.bancaditalia.it/compiti/vigila</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				nza/intermediari/TUB_giugno_2015.pdf http://www.consob.it/main/documenti/Regolamentazione/normativa_In/dlgs58_1998.htm EBA http://www.eba.europa.eu/regulation-andpolicy/colleges-of-supervisors http://www.bis.org/publ/bcbs287.htm http://www.eba.europa.eu/regulation-andpolicy/colleges-of-supervisors http://www.eba.europa.eu/supervisoryconvergence/supervisory-colleges https://eiopa.europa.eu/Publications/Guidelines/Colleges_Final_document_EN.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
9 (9)	Supervisory exchange of information and coordination	<p>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)</p> <p>Enhance the effectiveness of core supervisory colleges. (FSB 2012)</p>	<p>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.</p> <p>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).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: November 2014</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>MoUs</p> <p>Short description of the content of the legislation/ regulation/guideline:</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</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>MiFID2 and MAR new provisions on cooperation are in the process of being transposed/implemented into the national legal framework. Specific technical standards have also been developed by ESMA and sent to the EU Commission for adoption.</p> <p>Web-links to relevant documents:</p> <p>ESMA technical standards under MiFID 2: https://www.esma.europa.eu/sites/default/files/library/2015-1858_-_final_report_-_draft_implementing_technical_standards_under_mifid_ii.pdf MAR framework: https://www.esma.europa.eu/regulation/trading/market-abuse</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>the Consolidated Law on Finance, BI, Consob and IVASS may not invoke professional secrecy in their dealings with each other. 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. International cooperation in the 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>and/or bank secrecy). EU legislation bounds all EU supervisors and authorities to comply with stringent confidentiality requirements. Consequently, 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) BI 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 addition, specific provisions of the CRD IV regulate cooperation and collaboration between EU supervisors involved in the supervision of cross border groups and, in particular, within the colleges of supervisors. The CRDIV provisions have been implemented and complemented by the Bank of Italy in the "Guide for supervisory activity" (Circular n. 269, Part One, Section I, Chapter V, "relationships with foreign supervisory authorities"). The BI has signed Multilateral Memorandum of</p>	

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				<p>Understanding for the functioning of EU colleges in respect to almost the cross border groups of which it is either home or host supervisor. Within the colleges all information necessary for the performance of the college activities (e.g. model validation, risk assessment and joint decision on risk-based capital adequacy) is exchanged on a regular basis and coordination in the development of best practices is also ensured on a regular basis. Website platforms ensure an efficient and comprehensive information exchange. Inspectors of the Bank of Italy join the Colleges of Supervisors in order to share information/best practices and to achieve the coordination of the on-site activity annually conducted by the individual supervisors or by joint teams. Core college settings have not been established; however variable structures operate, involving only some of the authorities according to the issues to be addressed.</p> <p>This approach increases the effectiveness of the supervisory activity carried out. Finally, the Bank of Italy cooperates with the ECB and other euro area supervisory authorities within the contest of the Single Supervisory Mechanism. The</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>specific features of this cooperation are described in the European Legislation and in the Bank of Italy regulation on the Supervision of banks (Circular n. 285, "Supervisory Regulation for banks"). The participation in EBA/ESRB committees and working groups also provides EU supervisors with the opportunity to enhance cooperation and to develop common approaches to bank supervision. In line with article 55 of the CRD IV, article 7, paragraph 7 of the Consolidated Law on Banking states that within the framework of cooperation agreements and equivalent obligations of confidentiality the BI may exchange information related to the performance of supervisory functions with the competent authorities of non-EU Member States. The Bank of Italy have signed 10 Memorandum of Understanding with banking supervisors from non-EU countries. The cooperation and information exchange between the Bank of Italy and non-EU supervisors may anyway as well occur in the absence of a formal, written, cooperation agreement, provided that effective reciprocity conditions are met. The September 2013 ROSC on BCP and IOSCO principles by</p>	

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				<p>the IMF recognized that the Italian financial system regulators (Bank of Italy, Consob, IVASS) actively collaborate and exchange information according to a sound legal and regulatory framework and sophisticated arrangements for offsite supervision, that have resulted in a robust system of supervision. Insurance sector: In November 2012 IVASS became signatory of the IAIS MMOU for the exchange of information among supervisors. IVASS also signed a bilateral MoU with Insurance Supervisor of Missouri. More in general, Italian EU cross-border groups have exchanged information and coordinated their activities within EIOPA framework for colleges, including the signing of coordination arrangements within specific colleges. The exchange of information and the coordination of activities have included also supervisors of other financial sectors, when relevant. The involvement and coordination with the other financial supervisors is to be considered also in an emergency situation. Securities sector: According to the law, Consob may exercise all the powers available to it for the purposes of</p>	

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				<p>international cooperation. Consob's ability to provide information to foreign regulators has been assessed as part of the screening process under the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (IOSCO MMoU). Consob is a signatory to that agreement. It is also a signatory to the ESMA (former CESR) Multilateral MoU. 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. Moreover, Consob signed 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 regards the cooperation arrangements under the AIFMD, see responses above. 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</p>	

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				<p>national and cross-border level. Moreover, Consob participates to a number of international groups, including groups at ESMA and IOSCO level aimed at promoting supervisory convergence, enhance financial consumer protection and strengthen information exchange and cooperation between competent authorities. See also the response from the UE Commission.</p> <p>Highlight main developments since last year's survey:</p> <p>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: The updating of IVASS Supervisory Handbook in March 2016 takes into account the latest regulation regarding the exchange of information among supervisors (Commission Implementing Regulation (EU) 2015/2014 of 11 November 2015 and EIOPA Guidelines on exchange of information on a systematic basis within colleges) Securities sector: MiFID2 and MAR new provisions on cooperation (to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>be transposed/implemented into the national legal framework) further strengthen the principles of cooperation and exchange of information among competent authorities for the purposes of the performance of their supervisory and enforcement duties under these legislative acts. Specific technical standards have also been developed by ESMA and sent to the EU Commission for adoption. The European Securities and Markets Authority (ESMA) and the European Central Bank (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. This MoU describes in general terms how the authorities will cooperate with one another in the performance of their respective tasks and mandate under European Union law including in relation to financial institutions and markets. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. The arrangement sets up a framework for cooperation between the ECB, ESMA, NCBs and each competent authority supervising a CSD participating in T2S. Finally, ESMA and the ECB have also agreed upon a template MoU to be used between national authorities responsible for markets in financial instruments and the ECB. This template MoU provides for a common framework for cooperation and may be agreed and complemented bilaterally, on a voluntary basis for the performance, respectively, of the tasks under the SSM Regulation and those under MIFID</p> <p>Web-links to relevant documents:</p> <p>http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R2014&from=EN</p> <p>https://eiopa.europa.eu/GuidelinesSII/EIOPA_EN_Exchange_info_colleges_GLS.pdf Consolidated Law on Finance:</p> <p>http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm</p> <p>MoUs signed by Consob:</p> <p>http://www.consob.it/main/consob/cosa_fa/impegni_internazionali/accordi.html</p> <p>MiFID2: http://eur-lex.europa.eu/legal-</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 See also response by EU Commission.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
10 (10)	Strengthening resources and effective supervision	<p>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)</p> <p>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)</p> <p>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)</p>	<p>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).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: May 2008</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline: The legal mandate and powers of the relevant authorities for the regulation and supervision of financial entities are clearly stated under the Consolidated Law</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. In order to pursue the above-mentioned objectives, our regulatory framework applies a combination of principle-based requirements and specific rules. Indeed, 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. For instance, in line with the “same business, same rules” principle, banks authorized by the Bank of Italy that provide investment services are subject to the same rules for those services as investment firms authorized by Consob, as well as the same disclosure and</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>conduct of business obligations apply in relation to the distribution of financial products issued by banks and by insurance companies. Securities sector: Moreover, 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. Over time the funding from the State budget has decreased and Consob is today quite entirely funded through fees collected directly from market participants for the activities performed. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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.</p> <p style="text-align: right;">(cont.)</p> <p>Insurance sector: The purpose of supervision is the sound and prudent management of insurance and reinsurance undertakings and transparency and fairness in the behavior of undertakings, intermediaries and the other insurance market participants with regard to stability, efficiency, competitiveness and the smooth operation of the insurance system, to 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 has started the undergoing adoption process of the solvency II rules. This requested a reinforcement of strategic business 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 Macroprudential Surveillance Division was also built up to mirror the new risk perspective. Banking sector: Recommendation 1 (Supervisory strategy-priorities/Authority's RAF/formal</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>process for evaluating supervisory effectiveness) The Bank of Italy’s supervisory strategy is described in a Guide to Supervisory Activities. Main drivers: - consolidated, risk-based, net risk approach; - strong connection between RAS Score and supervisory action (particular set of supervisory controls/measures for each risk score); - proportionality of the supervisory action based on size, systemic relevance, complexity. Additional layers of supervision applied based on systemic relevance (e.g. higher IT standards); - interaction between onsite and off- site inspections;</p> <p>Highlight main developments since last year’s survey: Recommendation 2 (Supervisory dialogue) The dialogue with institutions has been enhanced, particularly with institutions’ boards, and has included more substantive discussions on risk governance, culture and appetite. Recommendations 3/4 (Banks’ IT and MIS/Data request) In its supervisory activities, the Bank of Italy asks the banks to improve their IT and MIS to provide robust and timely information on the institutions’ risk on an enterprise-wide basis. Supervisory activities are based on a massive request of objective and verifiable information that feed in the supervisory RAS systems. Specific drill down on IT cyber risk and on the implementation of the BCBS 239 (Perdar) has been carried out.</p> <p>Web-links to relevant documents: the full text of the Supervisory risk assessment Guideline is only for BI consultation, not publicly available. An extract can be found at</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c269/index.html?com.dotmarketing.htmlpage.language=1 Consolidated Law on Finance: http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm Law n. 262/2005: http://www.camera.it/parlam/leggi/052621.htm	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV. Building and implementing macroprudential frameworks and tools					
11 (11)	Establishing regulatory framework for macro-prudential oversight	<p>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 banks¹ and private pools of capital to limit the build up of systemic risk. (London)</p> <p>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)</p>	<p>Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place since the global financial crisis, particularly over the past year.</p> <p>Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among different 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.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2015</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Banking and Financial sector: The</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>The 2015 European Delegation Law should be adopted by Fall. After the approval, the Government has 12 months to implement the provisions provided by the Recommendation ESRB/2011/3 on the macroprudential mandate of national authorities.</p> <p>Web-links to relevant documents:</p>

¹ The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

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				<p>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. A draft law implementing European legislation - the 2015 European Delegation Law - which includes provisions for delegating the Government to implement Recommendation ESRB/2011/3 on the macroprudential mandate of national authorities, has been approved by the Parliament. In particular, article 10 of the mentioned law provides for the establishment of a Macroprudential Policy Committee composed of the Heads of the supervisory authorities, and the Ministry of Economy and Finance and the Italian Competition Authority as observers, chaired by the Bank of Italy, empowered to collect information and make recommendations to the participating authorities, with a "comply or explain" mechanism. According to the Consolidated Law on Finance, the role of Consob in the identification of financial stability risks</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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). The process includes analysis of the external and internal contexts, the impact on supervised entities and cost-benefit assessments.</p> <p>Insurance sector: Pursuant to Art 5(1ter) of the Italian Code of Insurance and also pursuant to Directive 2009/138/EC, IVASS is required to take into account, in times of exceptional movements in the financial markets, the potential pro-cyclical effects of its actions, also on other Member States. In the context of the European analysis on the low interest rate, EIOPA has proposed to develop a framework for a macroprudential approach to the low interest rate environment under Solvency II,</p>	

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				<p>identifying objectives and instruments to address the low interest rate environment. In line with this proposal, and in application of the Solvency II regime, IVASS has been continuing a process of intensified monitoring and analysis of the ongoing risks, by increasing the reporting requirements with regard to the interest rate or conducting national stress testing and sensitivity analyses taking into account the low interest environment. IVASS has recently increased the resources devoted to the new macro-prudential analysis department with the objective of strengthening the following activities: (i) performing macro-prudential analysis on the Italian insurance market; (ii) identifying, assessing and monitoring macro-prudential risks; (iii) assessing the potential effects of stressed situation potentially emerging in the financial markets towards insurance undertakings (this is done also in coordination with EIOPA). In the view of devising a early warning system, the macroprudential surveillance department has been reinforced with additional expertise to contribute to the development of risk indicators and tools for a timely</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>detection or monitoring of risk drivers and vulnerabilities and conducting sensitivity analysis. IVASS has been collecting information from insurance undertakings to this purpose.</p> <p>Highlight main developments since last year's survey:</p> <p>A draft law implementing European legislation - the 2015 European Delegation Law - which includes provisions for delegating the Government to implement Recommendation ESRB/2011/3 on the macroprudential mandate of national authorities, has been approved by the Parliament. In particular, article 10 of the mentioned law provides for the establishment of a Macroprudential Policy Committee composed of the Heads of the supervisory authorities, and the Ministry of Economy and Finance and the Italian Competition Authority as observers, chaired by the Bank of Italy, empowered to collect information and make recommendations to the participating authorities, with a "comply or explain" mechanism.</p> <p>Insurance sector: By implementing the EIOPA GLs on the reporting for financial stability purposes, IVASS will gather</p>	

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				<p>data, additional to the SII reporting, to perform ad-hoc macro-prudential analysis on trend and developments and to identify potential impacts on the on the national insurance market. IVASS regulation on this matter will be issued soon. The document was publicly consulted and is currently subject to IVASS' review.</p> <p>Web-links to relevant documents: http://www.senato.it/service/PDF/PDFServer/BGT/00984134.pdf (IN ITALIAN ONLY) http://www.gazzettaufficiale.it/eli/id/2015/06/12/15G00087/sg (IN ITALIAN ONLY) http://www.gazzettaufficiale.it/eli/id/2015/07/31/15G00127/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) http://www.ivass.it/ivass/impres_eDocConsultazione.jsp?nomeSezione=FORMATIVA&ObjId=192576</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (12)	Enhancing system-wide monitoring and the use of macro-prudential instruments	<p>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)</p> <p>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)</p> <p>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>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.</p> <p>Please indicate the use of macroprudential tools in the past year, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the following documents:</p> <ul style="list-style-type: none"> CGFS report on Operationalising the selection and application of macroprudential instruments (Dec 2012) FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011) 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) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2015</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>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</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 (press release: 4/3/2015) 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. The role of Consob is complementary. In particular, Consob employs specific risk evaluation models, taking into account the qualitative and quantitative information provided by regulated entities, including non-bank financial entities, and performs quantitative analysis to support supervisory functions; the related output feeds into Consob priorities, strategic objectives and general planning Insurance sector: IVASS</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>implemented the following main prudential indicators/tools for the insurance sector: 1. Assessment of vulnerabilities: Based on a 2011 EIOPA’s survey, IVASS developed national exercises in order to detect vulnerabilities in the insurance sector timely (such as: exposure to government bonds and to banking system, cash management analysis, use of emergency plan). IVASS requests specific qualitative and quantitative information to a selected sample of undertakings, on quarterly basis (sovereign exposure, investment policy banking exposure, including exposure to CDS, financial transaction involving transformation of liquidity degree and Solvency estimation) and semi-annual basis (all the information asked quarterly as well as: structure of marketed products; reinsurance programs- traditional and alternative risk transfer; Crisis management plan and Main source of risks – both Current evaluation and forward looking evaluation); 2. Questionnaires to the main Italian life insurance players (ad hoc analysis, e.g. on the low interest rate environment; on credit ratings) 3. Monthly monitoring on financial stability.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>This is carried out on a monthly basis and based on available data. It is focused on the main risk drivers of Italian insurance sector. It is submitted to the Top Management of IVASS and shared with Micro-Surveillance Division (linkage between micro and macro supervision). Some specific information are also published on a semi-annual basis within the Financial Stability Report of the Bank of Italy and the IVASS' Annual Report.</p> <p>4. Sensitivity analysis on Interest rate risk. IVASS systematically asks (since September 2013 and on semi-annual basis) to life insurance companies to assess their exposures to interest rate risk, i.e. to assess the impact of an unexpected change in interest rates on their ability to discharge their obligations under with-profits policies. 5. Stress test (IVASS Regulation n.20). Since 2005, stress test have been introduced in the Italian insurance market. Insurance undertakings shall run stress test</p> <ul style="list-style-type: none"> • on main risk factors • at least annually • as instrument to decide their risk policy and results shall be submitted to the Board of Directors). <p>IVASS can require the results of the analysis together to the decisions made</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>by Board of Directors IVASS can require standardized stress tests: • on specific risk factors • based on homogeneous shock levels for insurance market • as instrument to analyze the impact of on the financial stability of insurance sector of specific adverse scenarios and in order to identify systemic risks 6. Risk Dashboard (RD). By taking inspiration from the European Risk Dashboard (RD) developed by EIOPA, our RD encompasses 24 indicators for 7 categories of risks (macro, credit, profitability and so on). IVASS Customization: • all the suitable Indicators (not the macro' ones) have been weighted with the gross written premiums • all the Indicators have been computed mainly using market and insurance Italian data • Indicators have been computed for the whole Italian market (all Italian undertakings not only the main groups). Data are based on individual balance sheets not on consolidated ones. • the main Indicators in terms of risk (taking into account Italian specificities) have been chosen (24 out of 40 EIOPA Indicators). • 2 new Indicators have been introduced (already used in internal analysis) • Scores have</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>been calibrated in a different way whenever it have been deemed necessary (due to Italian specificities). The main outcomes of the Risk Dashboard are systematically reported to the internal Crisis Management Committee. As far the use of macroprudential tools is concerned, a Risk Dashboard covering the Italian market was introduced in the past year based on the experience within the EIOPA context. In the EIOPA context, IVASS is also contributing to the definition of key indicators and peer comparison at EU level within the EIOPA activities. The focus is on the design of potential risk based reports or on identification of early warning indicators which could be used for SII analytics. The revision of the existing Italian Supervisory Handbook is on-going. It implements the EU guidelines, among others, on oversight, reporting and gives guidance on the operationalization of individual macroprudential instruments. See also response by the EU Commission.</p> <p>Highlight main developments since last year's survey:</p> <p>Article 136 of Directive 2013/36/EU (Capital Requirements Directive, CRD</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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) for the first three quarters of 2016 at zero per cent. The Bank of Italy has identified the UniCredit banking group as a global systemically important institution (G-SII) authorized to operate in Italy in 2016. Moreover the Bank of Italy has identified the UniCredit, Intesa Sanpaolo and Monte dei Paschi di Siena banking groups as domestic systemically important institutions (other systemically important</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>institutions, O-SIIs) authorized to operate in Italy. The Bank of Italy has decided to set an additional capital buffer ('O-SII buffer') equal to zero per cent for 2016 for the three banking groups. The decision to identify the three 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.</p> <p>Web-links to relevant documents:</p> <p>https://www.bancaditalia.it/compiti/stabilita-finanziaria/politica-macroprudenziale/index.html?com.dotmarketing.htmlpage.language=1</p> <p>http://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c285/index.html (IN ITALIAN ONLY)</p> <p>http://www.gazzettaufficiale.it/eli/id/2015/06/12/15G00087/sg (IN ITALIAN ONLY)</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				https://www.bancaditalia.it/pubblicazioni/qef/2015-0278/index.html?com.dotmarketing.htmlpage.language=1 http://www.ivass.it/ivass_cms/docs/F23818/Regulation%2020%20-%2030%20Jun%202014.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Improving oversight of credit rating agencies (CRAs)					
13 (13)	Enhancing regulation and supervision of CRAs	<p>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)</p> <p>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.</p> <p>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.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)</p> <p>Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance</p>	<p>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:</p> <ul style="list-style-type: none"> • Code of Conduct Fundamentals for Credit Rating Agencies (Mar 2015) (including governance, training and risk management) <p>Jurisdictions may also refer to the following IOSCO documents:</p> <ul style="list-style-type: none"> • 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) <p>Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: June 2013</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>See below.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Since July 2011 all registration and supervisory responsibilities over credit rating agencies were transferred to ESMA. Registration and certification are</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>See response by the EU Commission.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>obligations for CRAs) as early as possible in 2010. (FSB 2009)</p> <p>We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)</p>		<p>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. There were 26 EU registered CRAs at the end of 2015. 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. In particular, CRAs are required to use rating methodologies that are “rigorous, systematic, continuous and subject to validation based on historical experience, including back-testing”. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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, which met for the first time in November 2013 and through the enhancement of the on-going dialogue at the IOSCO level, as ESMA contributed to the drafting of the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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>Highlight main developments since last year's survey:</p> <p>See response by the EU Commission.</p> <p>Web-links to relevant documents:</p> <p>See response by EU Commission.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (14)	Reducing the reliance on ratings	<p>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)</p> <p>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)</p> <p>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)</p> <p>We call for accelerated progress by national authorities and standard setting</p>	<p>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.</p> <p>Jurisdictions may refer to the following documents:</p> <ul style="list-style-type: none"> • FSB Principles for Reducing Reliance on CRA Ratings (Oct 2010) • FSB Roadmap for Reducing Reliance on CRA Ratings (Nov 2012) • BCBS Consultative Document Revisions to the Standardised Approach for credit risk (Dec 2015) • IAIS ICP guidance 16.9 and 17.8.25 • IOSCO Good Practices on Reducing Reliance on CRAs in Asset Management (June 2015) • IOSCO Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: see below</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>The use of external credit ratings for prudential purposes is regulated in the Reg. UE 575/2013 (CRR), directly applicable to Italian credit institutions and investment firms. In parallel the registration/certification and supervision of Credit Rating Agencies (CRA) is settled in the Reg. 1060/2009 (and its</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>See EU Commission response.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>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)</p> <p>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)</p>	<p>Use of External Credit Ratings (Dec 2015).</p>	<p>subsequent updates). On the other end, from a supervisory activities point of view, in the Bank of Italy’s Guide for the supervisory activities (Circ. 269/2008) is stated that, in order to assess the quality of the credit portfolio, the in dept analysis on individual exposures have to be based on information not linked with external credit ratings (e.g. information contained in Bank of Italy credit register and internal ratings when available). See also below the Joint Communication by national competent authorities and Italy’s action plan.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>CRA III Regulation (directly applicable since 21 June 2013) establishes principles to reduce overreliance on credit ratings, as well as regulatory changes in the asset management sector (Directive 2013/14/EU amendments to the UCITS Directive and AIFMD) and occupational and retirement pensions (Directive 2013/14/EU amendments to the Occupational Retirement Provision Directive) with regard to reducing sole and mechanistic reliance on credit ratings. Initiatives at the national level are to a large extent strictly connected with</p>	

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				<p>the implementation of the roadmap set forth under EU legislation to reduce over-reliance on CRA ratings. In particular, in order to implement Directive 2013/14/EU, in Italy primary legislation (i.e. Consolidated Law on Finance) has been modified. Under the new 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. In the Insurance Code a specific provision to reduce the mechanistic reliance on external ratings has been recently 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. See also EU Commission response</p> <p>Highlight main developments since last year's survey:</p> <p>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. A first reduced version of the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>system has been used since August 2013 within the additional credit claims framework adopted by the Bank of Italy. In 2014 the Bank of Italy adopted the additional expert module and switched to a fully fledged system, meeting the general Eurosystem requirement for the assessment of all eligible credit claims. In 2015 the Bank of Italy reviewed the statistical methodology used for BI-ICAS and the activity of the ICAS has been increased with the involvement in the expert system module of analysts of further eight local branches . On March 2016 eleven local branches were involved in the activity of rating production. 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 authorised 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>authorities. Italy's action plan to Implement the Financial Stability Board Principles for Reducing Reliance on Credit Rating Agency Ratings has been published (see link below). As mentioned above, enhanced due diligence and internal risk assessment requirements are provided for investment in securitization under the EU Commission proposals on a common framework for securitisations, which is in the process of being discussed by the Council and European Parliament.</p> <p>Web-links to relevant documents:</p> <p>http://www.bancaditalia.it/compiti/polmon-garanzie/gestione-garanzie/qualita-crediti/index.html?com.dotmarketing.htmlpage.language=1</p> <p>http://www.ivass.it/ivass cms/docs/F13758/CAP_annotato.pdf (THE UPDATED VERSION IN ITALIAN ONLY) Italy's action plan:</p> <p>http://www.consob.it/main/consob/cosa_fa/impegni_internazionali/FSB_action_plan.html See also EU Commission response.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Enhancing and aligning accounting standards					
15 (15)	Consistent application of high-quality accounting standards	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)	<p>Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (eg equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial performance. They should also explain the system they have for enforcement of consistent application of those standards.</p> <p>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.</p> <p>As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: Financial statements of the financial year closing or ongoing on 31 December 2005</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>The adoption of the IAS/IFRS in Italy was introduced by the Legislative Decree nr. 38 of February 28, 2005, exercising the options contained in the Regulation (EC) no 1606/2002 of the European</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<p>accounting requirements for expected loan loss provisioning for impaired loans that are being introduced by the IASB and are scheduled to be introduced by the FASB.</p> <p>See, for reference, the following BCBS document:</p> <ul style="list-style-type: none"> • <i>Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</i> 	<p>Parliament and of the Council of 19 July 2002. The legislative Decree 38/05 identifies the companies which are mandatorily required or permitted to adopt the International Accounting Standards 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; - 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>confidence. 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 to the ESMA work in this respect. These fora actively contribute to the evolution of accounting standards, by providing the accounting standard setters with analysis and comments in due process. The Bank of Italy, Consob and IVASS, with the Ministry of Finance are involved in the endorsement process of IFRS in Europe, within the Accounting Regulatory Committee (ARC). At national level, the Bank of Italy, Consob and IVASS actively cooperate in the field of accounting, and since 2008 have established a permanent forum on consistent application of IAS/IFRS which has also close links with the national accounting standard setter (OIC). The Bank of Italy has made structural the relationship with the auditing profession and the financial industry to discuss relevant issues in the field of accounting. The Bank of Italy has no power in terms of valuation in the context of financial statements. As regards the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>implementation of the IFRS 9 expected losses impairment model, on 5 August 2013 the Bank of Italy sent a communication recommending financial institutions to start a review of their processes and systems to ensure a timely and consistent implementation of the forthcoming standard. Moreover, the Bank of Italy was actively involved in the drafting of the BCBS Guidelines on accounting for expected credit losses whose objective is to set out supervisory requirements on sound credit risk practices associated with the implementation and ongoing application of expected credit loss (ECL) accounting models</p> <p>Short description of the content of the legislation/ regulation/guideline:</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. The BI issues the national regulation (Circular n. 262/2005) regarding standardized schemes and templates, in order to ensure a consistent</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>and homogeneous "disclosure" in the Annual Report published by banks and other supervised financial intermediaries. All entities subject to Consob's jurisdiction, including issuers admitted to trading in a regulated market, investment services providers and asset management companies, are required to prepare financial statements in accordance with IFRS. Issuers admitted to trading in MTFs (such as AIM) are not required to submit their financial statements according to IFRS. Issuers whose securities are widely held must apply IAS/IFRS. As far as AIM is concerned, issuers can submit their financial statements according to (i) local GAAP, (ii) IFRS or (iii) US GAAP. For the purposes of offerings or listings by foreign issuers, under the relevant European Regulation (809/2004/EC), third country issuers must present historical financial information in accordance with IFRS, Japanese GAAP, or US GAAP. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>reinstate correct market information. On January 19, 2015, Consob has also published Communication no. 0003907, which identifies 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, 2014. 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 also EU Commission response.</p> <p>Highlight main developments since last year's survey:</p> <p>The Bank of Italy is involved in the initiatives carried out by the European Banking Authority (EBA) in order to incorporate the BCBS Guidance on accounting for expected credit losses into the EU regulatory and supervisory framework. To this extent, in January 2016, the EBA launched a survey on a sample of approximately 50 EU institutions (including some Italian</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>banking groups) in order to assess the estimated impact of IFRS 9 and the way institutions are preparing for its first time adoption. Results are expected for mid-2016. See EU Commission response.</p> <p>Web-links to relevant documents:</p> <p>https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c262/index.html Consolidated Law on Finance: http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm Consob Regulation on Issuers: http://www.consob.it/mainen/documenti/english/laws/reg11971e.htm 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing risk management					
16 (17)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	<p>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)</p> <p>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)</p> <p>Regulators and supervisors in emerging markets¹ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)</p> <p>We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)</p>	<p>Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices.</p> <p>Jurisdictions may also refer to the following documents:</p> <ul style="list-style-type: none"> • FSB's thematic peer review report on risk governance (Feb 2013); • Joint Forum's Developments in credit risk management across sectors: current practices and recommendations (June 2015); and • BCBS Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012) and Principles for sound stress testing practices and supervision (May 2009). 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: since November 2014 supervisory actions are taken in the SSM context</p> <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), please specify:</p> <p>SSM supervisory manual</p> <p>Short description of the content of the legislation/ regulation/guideline:</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>In September 2016 the new EU reporting scheme for the supervision of liquidity risk will come into effect.</p> <p>Web-links to relevant documents:</p>

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

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Since November 2014 the 15 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.</p> <p>Highlight main developments since last year's survey:</p> <p>In October 2015 a new specific scheme of reporting for the supervision of liquidity risk has been agreed in the EU legislation (COREP and FINREP regulatory schemes, Regulation (EU) No 680/2014). Italian supervisor is also fully involved in the activities conducted at SSM level</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (18)	Enhanced risk disclosures by financial institutions	<p>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)</p> <p>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)</p>	<p>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.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 31.12.2013</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Financial sector: As reported in point 15 above, the Bank of Italy issues the national regulation regarding standardized schemes and templates to be adopted by banks and other supervised financial intermediaries. This circular ensures the alignment of those schemes and templates to the evolution of the accounting rules. The amendments to</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>IFRS 7 “Disclosures – Transfers of Financial Assets” have been adopted in August 2012 with amendments to Circular no. 262/2005. The amendments to IFRS 7 “Disclosures – Offsetting Financial Assets and Financial Liabilities” and the new disclosures required by IFRS 13 “Fair Value Measurement”, both to be applied for annual periods beginning on or after 1 January 2013, have been adopted with a revision of Circular 262/2005 applying starting from end-2013 Annual Reports. With a supervisory letter of 31 January 2013 the Bank of Italy has required banks and financial intermediaries 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 no. 262/2005, applying from end-2013 Annual Reports, have been made to take into account the recommendations provided by the Enhanced Disclosure Task Force. The requirements of IFRS 12 “Disclosure of interests in other entities” have also been adopted through an amendment of the Circular n. 262/2005, issued in December</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>2014. 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 Report (SFCR) . The EIOPA Guidelines will be fully adopted with the issuing of an IVASS regulation, which is currently in public consultation (Public consultation document n.6/2016) The</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>outgoing IVASS Regulation is fully compliant with the content and relevant provisions of the Delegated Act and with the EIOPA Guidelines on this matter. In line with the above, the regulation is intended to require also further details on some aspects already covered in the EU legislation.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Securities Financial sector: As reported in point 15 above, the Bank of Italy issues the national regulation regarding standardized schemes and templates to be adopted by banks and other supervised financial intermediaries. This circular ensures the alignment of those schemes and templates to the evolution of the accounting rules. The amendments to IFRS 7 “Disclosures – Transfers of Financial Assets” have been adopted in August 2012 with amendments to Circular no. 262/2005. The amendments to IFRS 7 “Disclosures – Offsetting Financial Assets and Financial Liabilities” and the new disclosures required by IFRS 13 “Fair Value Measurement”, both to be applied for annual periods beginning on or after 1 January 2013, have been adopted with a</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>revision of Circular 262/2005 applying starting from end-2013 Annual Reports. With a supervisory letter of 31 January 2013 the Bank of Italy has required banks and financial intermediaries 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 no. 262/2005, applying from end-2013 Annual Reports, have been made to take into account the recommendations provided by the Enhanced Disclosure Task Force. The requirements of IFRS 12 “Disclosure of interests in other entities” have also been adopted through an amendment of the Circular n. 262/2005, issued in December 2014. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 Report (SFCR) . The EIOPA Guidelines will be fully adopted with the issuing of an IVASS regulation, which is currently in public consultation (Public consultation document n.6/2016) The outgoing IVASS Regulation is fully compliant with the content and relevant provisions of the Delegated Act and with the EIOPA Guidelines on this matter. In line with the above, the regulation is intended to require also further details on some aspects already covered in the EU legislation.</p> <p>In addition, sectoral provisions are established for the asset management/investment fund sector,</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>which require asset management companies to prepare an annual and a semi-annual report for each CIS they manage. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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). In general, in addition to prospectus requirements for public offerings and market abuse disclosure obligations, issuers with securities admitted to trading in a RM are subject to a more 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), as reported under recommendation no. 15, and for issuers</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>whose securities are widely held (defined on the basis of quantitative criteria).</p> <p>Highlight main developments since last year's survey:</p> <p>Circular 262 was further amended on December 2015 to take into account in the disclosure on non-performing exposures and forbearance the new definitions laid down by the EBA ITS on Supervisory reporting on forbearance and non-performing exposures (Commission Implementing Regulation (EU) 2015/227 of 9 January 2015). See also response by the EU Commission.</p> <p>Web-links to relevant documents:</p> <p>https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c262/index.html http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R2452&from=EN https://eiopa.europa.eu/GuidelinesSII/EIOPA_EN_Public_Disclosure_GL.pdf Consolidated Law on Finance: http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm Consob Regulation on Issuers: http://www.consob.it/mainen/documenti/english/laws/reg11971e.htm</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Strengthening deposit insurance					
18 (19)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	<p>Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the following recommendations of the FSB’s February 2012 thematic peer review report on deposit insurance systems:</p> <ul style="list-style-type: none"> • Adoption of an explicit deposit insurance system (for those jurisdictions that do not have one) • Addressing the weaknesses and gaps to full implementation of the Core Principles for Effective Deposit Insurance Systems issued by IADI in November 2014. 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 8 March 2016</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</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</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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>Highlight main developments since last year's survey:</p> <p>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.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Safeguarding the integrity and efficiency of financial markets					
19 (20)	Enhancing market integrity and efficiency	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)	<p>Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.</p> <p>Jurisdictions should indicate the progress made in implementing the recommendations:</p> <ul style="list-style-type: none"> 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). 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 1999, with the entry into force of the Consolidated Law on Finance. However, further measures in this regard have been introduced with the implementation in Italy of Directive 2004/39/EC and Directive 2006/3/EC in 2007 and in 2012/2013, with the implementation into the Italian legal framework of the ESMA Guidelines on Automated Trading and of Regulation (EU) no. 648/2012 (EMIR).</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>See response by the EU Commission. Moreover, the implementation/transposition into the national legal framework of the new provisions of MAR/MAD and MiFIR/MiFID2 is already underway. See also EU Commission response.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>actions), please specify: Ongoing supervision and Consob Resolution on ESMA Guidelines on automated trading.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>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. In particular, Consob supervises regulated markets and trading systems on a real time basis with the aim of ensuring transparency of the market, orderly conduct of trading and investors protection. Consob is the competent</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>authority for market abuse investigations. 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 is aware in real time 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 December 22, 2011, ESMA issued Guidelines on systems and controls in an automated trading environment for trading platforms, investment firms and competent authorities. The Guidelines have been issued by ESMA under Article 16 of ESMA Regulation (Regulation no. 1095/2010). The Italian version of the official ESMA document was published in April 2012. The above-mentioned ESMA’s Guidelines are aimed at ensuring a standardised, uniform, coherent application of European Union provisions to systems and controls established for trading platforms and</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>investment companies in an automated trading environment, also in relation to the possibility of enjoying direct access or sponsored access to the market. 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 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. The Guidelines fall under the scope of the provisions of the Bank of Italy and Consob Regulation on organization and procedures of intermediaries providing investment services or collective investment management services. With</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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, 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.</p> <p>Information on dark trading and dark orders is included in the data set provided to the regulators.</p> <p>In addition, further transparency in OTC derivative markets is being pursued by 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)</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Central Clearing for certain classes of OTC derivatives; (ii) Application of risk mitigation techniques for non-centrally cleared OTC derivatives; (iii) Reporting to trade repositories; (iv) Application of organisational, conduct of business and prudential requirements for CCPs; (v) Application of requirements for Trade repositories, including the duty to make certain data available to the public and relevant authorities. However, it is noted that the above-mentioned regulatory regime will be further strengthened with the entry into force and transposition into the national legal framework of the new rules envisaged under MiFID2/MiFIR package. In particular, such rules aim at increasing transparency (among others, enhanced pre- and post-trade transparency requirements are introduced), as well as they incorporate the provisions of the above-mentioned ESMA Guidelines on automated trading. As regards the Market Abuse Regulation (MAR) and subsequent implementing measures, see EU Commission response.</p> <p>Highlight main developments since last year's survey:</p> <p>As mentioned above, the new rules under MAR/MAD and MiFID2/MiFIR are in</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>the process of being transposed/implemented in Italy.</p> <p>Web-links to relevant documents:</p> <p>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 See also EU Commission response.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
20 (21)	Regulation and supervision of commodity markets	<p>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)</p> <p>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)</p>	<p>Jurisdictions should indicate whether commodity markets of any type exist in their national markets.</p> <p>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).</p> <p>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.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2007, with the introduction of article 66-bis into the Italian Consolidated Law on Finance and the implementation of Directive 2004/39/EC (MiFID) and Directive 2006/3/EC on market abuse.</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>MoUs.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Legislative Decree no. 58/1998 provides</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>See also response by the EU Commission.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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.</p> <p>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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. Furthermore, it is worth mentioning also article 42 of Consob Regulation no. 16191 of 29 October 2007, implementing the provisions on markets of the Consolidated Law on Finance (hereinafter, Consob Regulation on Markets). The above-mentioned article provides for a specific definition of inside information in relation to derivatives on commodities, which is the “information directly or indirectly related to one or more derivatives on commodities that users of the market on which such instruments are traded expect to receive, in compliance with market practices” [...]: a) routinely made available to the users of those markets, or b) required to be disclosed in accordance with legal or regulatory provisions, market rules, contracts or customs on the relevant</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>market or markets for the underlying commodities”.</p> <p>Moreover, the above-mentioned Article 66-bis provides that Articles 64 and 74 of the Consolidated Law on Finance shall apply also to energy and gas derivatives markets. Pursuant to Art. 64 of the Italian Consolidated Law on Finance, the companies authorized to manage a regulated market should adopt all the measures required for the efficient operation of the market, and: a) arrange and maintain effective devices and procedures for the control and observance of the regulation; b) adopt all the provisions and measures required to prevent and identify insider trading and market manipulation; c) admit, exclude and suspend financial instruments and market participants to and from trading and immediately inform Consob about the decisions taken. According to Article 74, Consob shall supervise regulated markets and may adopt any measure in order to ensure the transparency of the market, the orderly conduct of trading and the protection of investors. Moreover, Consob may require the operator of the regulated market to communicate data and information and to transmit</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>documents and records on a periodic or other basis in the manner and within its established time limits. Consob may also carry out inspections of the above-mentioned operators and require the exhibition of documents and the adoption of measures deemed necessary. In cases of necessity and as a matter of urgency Consob shall adopt the measures needed and may decide to act in the place of the regulated market management company. Concerning market abuse, Consob may exercise additional powers pursuant to article 187-octies of the Consolidated Law on Finance. In particular, Consob may in relation to any person who could be acquainted with the facts: a) require information, data or documents in any form whatsoever, establishing the time limits for receipt thereof; b) require existing telephone records, establishing the time limits for receipt thereof, after the authorisation by the Public Prosecutor where they involve persons other than entities subject to Consob supervision; c) conduct personal hearings; d) seize property that may be confiscated, after the authorisation by the Public Prosecutor; e) carry out inspections, after the authorisation by the Public Prosecutor</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>where they involve persons other than entities subject to Consob supervision; f) conduct searches within the limits provided by law and after the authorisation by the Public Prosecutor. Consob may further: a) avail itself of the cooperation of governmental bodies, requiring to be provided with data and information and access the information system of the tax records database; b) ask the provider for traffic records, after the authorisation by the Public Prosecutor; c) require the communication of personal data, after the authorisation by the Public Prosecutor where they involve persons other than entities subject to Consob supervision; d) avail itself, where necessary, of the information contained in the of accounts and deposits; e) gain direct access, through a dedicated electronic connection, to the data contained in the Bank of Italy's Central Credit Register; e-bis) make use where necessary, also through an electronic connection, of data contained in the special section of the tax records system. Where there are grounds for suspecting cases of market abuse, Consob may impose to cease the relevant conduct as a precautionary measure. As mentioned</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>above, further transparency is also ensured under the EMIR regime.</p> <p>Highlight main developments since last year's survey:</p> <p>The above-mentioned framework is going to be enhanced due to the transposition/implementation of the new rules under the MiFID II package and MAR, which is ongoing. For details on the new rules, see EU Commission response.</p> <p>Web-links to relevant documents:</p> <p>CONSOLIDATED LAW ON FINANCE: http://www.consob.it/main/en/documenti/english/laws/fr_decree58_1998.htm#Article_66 As regards the MiFID2 package and MAR and subsequent implementing measures, see EU Commission response. MoU between , Consob and the Authority for Electricity and Gas (in Italian): http://www.consob.it/main/consob/cosa_fa/cooperazione/protocollo_consob_energia_20080806.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (22)	Reform of financial benchmarks	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 <i>IOSCO Principles for Financial Benchmarks</i> .		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Enhancing financial consumer protection					
22 (23)	Enhancing financial consumer protection	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)	<p>Jurisdictions should describe progress toward implementation of the OECD’s G-20 high-level principles on financial consumer protection (Oct 2011).</p> <p>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.</p> <p>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.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: July 2009 (with the “Regulation on transparency in banking services and conduct rules in the relationship between intermediaries and clients”), as amended in July 2015. For the securities sector: 1999, with the entry into force of the Consolidated Law on Finance. However, a number of measures have been adopted afterwards and in the recent years to further strengthen the principles already contained under the Consolidated Law on Finance of 1998, as, for instance, the adoption of the Communications on illiquid products and on complex products, the protocol with Bank of Italy, IVASS and Covip and the Financial Ombudsman and the development of the Investor Charter.</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Italy is compliant with the G-20 high-level principles on financial consumer protection. Enhancement of the consumer protection framework is expected in 2016 as a result of the implementation of EU directives on mortgage credit and payment accounts, as well as of the new rules under MiFID2/MiFIR and PRIIPs Regulation. See also response under EU Commission.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<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), please specify: <p>Letters addressed to all supervised financial intermediaries addressing specific issues detected on the market; on-site inspections; exercise of enforcement powers; financial education initiatives; MoUs with relevant authorities and institutions.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The Italian legislation on financial consumer protection is fully aligned with the OECD/G20 principles high level principles on financial consumer protection. Banking sector: In the field of banking services (i.e. deposits, accounts, payment services, loans) the overall legal framework covers all aspects of consumer protection and is fully consistent with the G20-OECD. The Bank of Italy oversees the transparency and correctness of relations between intermediaries and their customers. The Bank of Italy carries out regular controls on banks and credit intermediaries to verify the respect of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>rules on disclosure, transparency and business conduct; controls on authorized agents are carried out by an ad hoc control body, the OAM (Organismo degli agenti e dei mediatori), which is overseen by the Bank of Italy. Yearly controls are planned on the basis of information acquired from the monitoring of intermediary-customer relations and they are carried out according to criteria and methods calibrated to the characteristics of the firms concerned (banks and other credit intermediaries). The information include, among others, the data obtained from checks on transparency, the outcomes of complaints to Bank of Italy and Arbitro Bancario Finanziario (the Italian ADR) and any other fact and circumstances described in reports received by the other supervisory areas of the Bank of Italy. Controls on intermediaries verify both compliance with transparency rules and the organizational arrangements to guarantee the substantial fairness of relations with customers. Financial education: According to the G20 High-level Principles on Financial Consumer Protection, Bank of Italy considers financial education as part of its</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>responsibilities in the wider context of ensuring financial stability and consumer protection. As to the information provided to the general public the Bank of Italy’s website features a financial education section aimed at persons interested in developing their economic and financial knowledge and at those who, as savers and users of banking services, wish to enhance their financial culture. The section provides information on the main banking issues and discusses banking, economic and financial matters in simple language. In 2007, based on a Memorandum of Understanding, the Bank of Italy and the Ministry of Education, University and Research started cooperating to run an experimental program aimed at incorporating financial education into school curricula for all school levels, as a part of various subjects. This school year (2015-2016) we are running the project for the 8th time. Insurance sector IVASS implemented the EIOPA guidelines on complaints handling by insurance undertakings through amendments to the IVASS Regulation n. 24. IVASS is in the process to implement the EIOPA guidelines on complaints handling by</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>insurance intermediaries providing a proportionate regime which takes into account the different kind of intermediaries operating in the market. At EIOPA level, an on-going work is also carried out in respect to 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 applies to all distribution channels (intermediaries and direct sellers) including on an ancillary basis non-insurance professionals. The IDD entered into force on 22 February 2016. Its provisions must be given legal force in each Member State within the two years following. Therefore IDD is to be implemented by 23 February 2018. Following the empowerment by the European Commission to EIOPA to advice on technical aspects, currently IVASS is heavily involved at EIOPA level in the preparation of the EIOPA Technical Advices to the Commission on the Insurance Distribution Directive, with specific regards to the distribution of insurance-based investment products and the Product Oversight an Governance</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>arrangements</p> <p>Securities sector: Consob has responsibility for transparency and proper conduct of business by intermediaries; the orderly functioning of regulated markets; the protection of investors; and the efficiency and transparency of the market in corporate control and the capital market. 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. In particular, according to article 23 of Legislative Decree no. 58/1998 investment firms are required to enter into written contracts with retail clients for the provision of investment services or non-core services, except for the provision of advisory services. A copy of this contract is given to the customer. Details of what is required in these contracts are set out in</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Article 37 of Consob Regulation 16190/2007 and additional requirements for portfolio management services in Article 38. Among other things, the contract must contain details of the services to be provided and fees. Moreover, articles 27-32 of Consob Regulation require intermediaries to provide information to retail clients and set out the details of the information required. Intermediaries are also required to provide on a periodic basis detailed information to clients about: (i) the receipt, transmission and execution of orders and fees applying; (ii) portfolio management services. As regards marketing material, advertising shall be clearly recognizable as such. The information contained in the advertisement must be accurate and not be misleading about the features, nature and risks of the financial products offered and the related investment. 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 and the provisions on</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>conflict of interest have been confirmed by the recent regulatory initiatives at EU level and accordingly transposed/implemented in Italy. In 2009, Consob issued a communication on the distribution of illiquid assets to retail investors providing recommendations to intermediaries on how they are expected to comply with Italian legal provisions implementing MiFID in relation to the distribution of illiquid financial products to retail clients. The aim is to ensure that adequate processes are put in place by intermediaries to prevent mis-selling of financial products which do not have an active secondary market or are particularly complex. In line with this approach, more recently, Consob has published a Communication for intermediaries on the subject of distribution of complex financial products to retail customers with the objective to raise the level of protection in favour of the least aware and therefore weakest and most vulnerable component of the market. Furthermore, it is fair to underline that Consob's strategic objectives include investor education and a special section of its website is devoted to the topic. In 2010 Consob also signed a</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. In this regard, in 2013, Consob has reinforced its relationships with Investors Association, by the identification of the key points of a proposed “Investor’s Charter”, aimed at providing investors concrete operational tools to raise awareness of the investors’ rights</p> <p>Highlight main developments since last year’s survey:</p> <p>The European Directive on alternative dispute resolution for consumers (2013/11/UE) was transposed into national law by Legislative Decree 130/2015: as regards the Banking and Financial Ombudsman (Arbitro Bancario Finanziario - ABF), the role of national competent authority is assigned to the Bank of Italy (BI). The customer can recourse to the ABF without legal assistance and at an extremely modest fee (€20), which is reimbursed by the intermediary if the decision is in the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>customer’s favour. The ABF examines the complaint in the light of the documents presented by the parties: decisions (that are not legally binding) are taken on individual cases according to law. If an intermediary refuses to comply with a decision, notice of its noncompliance is published on the ABF’s website. The outcomes of the ABF’s proceedings constitute a significant contribution to supervisory activity. An account of the activity undertaken by the ABF is given in the Annual Report, which includes data on complaints. During 2015, the BI disposed controls on over 200 branches, covering more than a hundred financial intermediaries. The main anomalies detected concerned unilateral modifications of contracts’ terms and conditions, misalignment of pre-contractual and contractual documentations in use, application of detrimental conditions in respect of those advertised or included in the contract, application of fees and charges in breach of certain legislative and regulatory provisions, inadequate organizational arrangements, dysfunctional internal</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>procedures. More than eighty financial intermediaries were invited to enhance their compliance with the relevant provisions on transparency and fairness, and to adopt corrective actions and appropriate measures to tackle the detected issues. In addition, firms' internal procedures for complaints handling were subject to in-depth scrutiny. As a result of this scrutiny, the BI issued guidelines to the system, illustrating best practices and criticalities detected. Due to amendments to the relevant primary legislation, an updated version of the "Regulation on transparency in banking services and conduct rules in the relationship between intermediaries and clients" entered into force in October 2015. Following the cooperation agreement established between the BI and the AGCM (Antitrust) aimed at improving consumer protection through coordination and information exchange among the two authorities, the BI delivered several opinions on cases handled by the AGCM and referring to investigation on suspect commercial practices by financial</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>intermediaries. Finally, the BI and the IVASS have published a common statement on the specific cross-sectoral issue of combined insurance-loan sales. Additionally, in cooperation with BI, a letter to undertakings and intermediaries was issued to increase the level of consumer protection when Policies are linked to loans. This results in a revision of the policy and the selling techniques in order to ensure that the characteristics of the product fit with the risks coverage needs of consumers and that the distribution is carried out fairly and professionally in accordance with the best interests of the customers. Financial education: Since the fall 2015 the BI is actively working with other authorities on developing a national strategy to realize a more coherent, effective and independent offer of financial education at country level. As part of this project, together with other partners, we have launched a survey on the financial education initiatives currently offered in Italy. Furthermore, at the national level again, the BI signed, with almost all major financial and economic institutions, a</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>MOU Charter of Intent on “Financial education as a tool of growth and social development” (for more information, see the complete survey)</p> <p>Web-links to relevant documents:</p> <p>http://www.bancaditalia.it/compiti/vigilanza/avvisi-pub/relazioni-int-clienti/index.html?com.dotmarketing.htmlpage.language=1; http://www.bancaditalia.it/compiti/vigilanza/avvisi-pub/relazioni-int-clienti/tutela-trasparenza/PPI-misure-tutela-clienti.pdf; http://www.bancaditalia.it/compiti/vigilanza/avvisi-pub/relazioni-int-clienti/tutela-trasparenza/PPI20.pdf; http://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/disposizioni/trasparenza_operazioni/Provvedimento.pdf; http://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/disposizioni/trasparenza_operazioni/Disposizioni_trasparenza.pdf; http://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/disposizioni/trasparenza_operazioni/FAQ.pdf; https://www.arbitrobancariofinanziario.it/pubblicazioni/relazioniAnnuali/en-relazione-ABF-2014.pdf. http://www.ivass.it/ivass_cms/docs/F15847/PPI20.pdf (in Italian only) http://www.ivass.it/ivass_cms/docs/F5117/PPI_Misure%20a%20tutela%20dei%20clienti_ENG.pdf https://eiopa.europa.eu/Publications/Guidelines/EIOPA_Complaints_Handling_GL_EN.PDF#search=EIOPA%20complaints%20handling%20gl</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p> http://www.ivass.it/ivass/impres_eEnglishDocument.jsp https://eiopa.europa.eu/Publications/Guidelines/GLs_Complaints_Handling_Intermediaries_Original_EN.pdf#search=GLs%20Complaints%20Handling%20Intermediaries%20Original%20EN http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm http://www.consob.it/mainen/documenti/english/laws/reg16190e.htm 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 As regards MiFID II package and PRIIPS Regulation and subsequent implementing measures, see EU Commission response </p>	

XI. Source of recommendations:

- [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 \(1 November 2012\)](#)

XII. List of Abbreviations used:

Index of Abbreviations 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? Pag. 106 SFT: Securities Financing Transactions SRB: Single

Resolution Board? Pag. 67 SSM: Single Supervisory Mechanism UCITS: Undertakings for Collective Investment in Transferable Securities