

Jurisdiction: Italy

2015 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 (2)	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 contained in IOSCO’s Report on Hedge Fund Oversight (Jun 2009). In particular, 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><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 :</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. The overall regulatory framework has been reviewed in 2013/2014 to implement AIFMD. In April 2015 is entered into force a revised version of the Regulation on asset management.</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>Funds managers have been regulated and supervised in the same way as UCITS Managers since 1999; however, the overall regulatory framework has been</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>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.</p> <p>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 necessary related amendments to the implementing</p>	

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				<p>national secondary legislation have also been fully adopted and implemented by modifying Consob Regulation no. 16190 of 29 October 2007 on Intermediaries and Consob and the Bank of Italy Regulation on the organisation and procedures of intermediaries providing investment services or collective management services and through the adoption of the Decree of the Ministry of Economy and Finance (MEF) no. 30 of March 5, 2015 implementing article 39 of Legislative Decree no. 58/1998, concerning the identification of the general criteria with which Italian collective investment undertakings shall comply. The new 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</p>	

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				<p>common framework on the macro-prudential 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 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. 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</p>	

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				<p>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 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.</p>	
				<p>Highlight main developments since last</p>	

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				<p>year’s survey:</p> <p>As already mentioned, the overall regulatory framework on hedge funds and other alternative funds has been reviewed in 2013/2014 in the process of implementation of the AIFMD . In particular, the AIMFD has been transposed by Legislative Decree no. 44/2014 which amended the Consolidated Law on Finance (Legislative Decree no. 58/1998)). The transposition of AIFMD has been complemented by a set of provisions by the Italian Ministry of Economy and Finance, the Bank of Italy and the CONSOB. The Bank of Italy has issued in particular 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; Bank of Italy and CONSOB’s Joint provision of 19 January 2015, amending Joint Regulation on organisation and processes of</p>	

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				<p>intermediaries of 29 October 2007 ('Joint Regulation'). Moreover, Commission Delegated Regulation (EU) no. 231/2013 of December 19, 2012, supplementing the AIFMD Directive, applies as of July 22, 2013. Moreover, 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. 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>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/archivio-norme/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 Consob and the Bank of Italy Regulation of October 29, 2007 on the organisation and procedures of intermediaries providing investment services or collective</p>	

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				<p>investment management services, as subsequently amended: http://www.consob.it/mainen/documenti/english/laws/bi_consob_20071029.htm</p> <p>Additional questions:</p> <p>1. Please indicate whether Hedge Funds (HFs) are domiciled locally and, if available, the size of the industry in terms of Assets under Management and number of HFs.</p> <p>The sector is very limited in size in Italy. In 2014 in Italy were domiciled 69 HFs; assets under management amounted to 4.69 billion euro.</p> <p>2. Please specify the main criteria and numerical thresholds (if applicable) for subjecting HFs and/or HF managers to mandatory registration.</p> <p>All hedge funds managers are subject to authorization. All asset management companies, including hedge fund managers, are subject to authorisation and registration by Bank of Italy, after consulting Consob, in order to provide the collective asset management service for both UCITS and AIFs, if a number of conditions set forth under article 34 of the Consolidated Law on Finance are fulfilled. Authorisation shall be denied when sound and prudent management is</p>	

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				<p>not ensured. The asset management companies are registered on a special list held by the Bank of Italy, separated into two sections for the management of UCITS and of AIFs. In general in Italy, the asset management/investment funds sector is subject to authorization and regulation (i.e. there are no unregulated, unsupervised activities). See also above and the response by the EU Commission.</p> <p>3. Please specify whether registered HF managers are subject to ongoing requirements regarding organisational and operational standards; conflicts of interest and other conduct of business rules; disclosure to investors; and prudential regulation. If any of these requirements are not applicable, please explain.</p> <p>Authorised hedge fund managers have to comply with rules on general organisation (including specific requirements on risk management), capital adequacy, internal control systems, limits on leverage, rules of conduct and conflict of interest, reporting, disclosure to investors. See above and the response by the EU Commission.</p> <p>4. Please describe the main challenges (where relevant) and any lessons learned in implementing this</p>	

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				<p>reform.</p> <p>The main challenges are monitoring the impact of the leverage of hedge funds on systemic risk and the exercise of the supervisor's power to impose limits on leverage.</p> <p>5. Are you monitoring the effects of this reform in your jurisdiction? If yes, please share the main findings and any related policy initiatives in response to those findings.</p> <p>The reform came into force a few months ago, so it is still early for evaluating the effects. All recent regulatory initiatives at both national and European level are subject to cost-benefit analysis. In particular, in accordance with its mandate and competences under European and national law, Consob evaluates the regulatory options that respond in a more effective and efficient way to the objectives underlying the provisions to be adopted. Moreover, Consob performs an assessment ex-post of the effects of the application of the new regulations, by monitoring on an ongoing basis the implementation of these objectives. Under this perspective, Consob has also performed a cost-benefit analysis on the implementation of the AIFMD. A report has been drafted in this</p>	

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				<p>regard (http://www.consob.it/documenti/Regolamentazione/lavori_preparatori/AIFMD/P_3.pdf). A review of the AIFMD is envisaged by July 22, 2017. Consob is in the process of monitoring the impact of the reform and therefore no preliminary finding is available at this stage. However, it is noted that, with reference to the asset management sector, the recent EU initiatives under the AIFMD, and the ELTIF, EUVECA and EUSEF Regulations present commonalities (the asset management companies often manage more than one type of fund) and therefore more consistency, simplification and harmonization across the various tools in terms of information to the public could be achieved.</p>	

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2 (3)	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:</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 second half of 2013</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 BI and Consob may co-operate by exchanging information or otherwise</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>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) cross border activity of funds managers is allowed (by other hands), given the possibility for national competent authorities (BI and/or Consob) to cooperate with third countries foreign ones (according to what required by artt. 113, 114, 115, of the EU Delegated Regulation n. 231/2013). Consob has signed several MOUs, in addition to the IOSCO Multilateral Memorandum of Understanding, the CESR (Committee of</p>	

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				<p>European Securities Regulators) now ESMA Multilateral Memorandum (a list of MMoUs signed by Consob is available on Consob’s website). 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 July 2013, ESMA had approved 42 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 EU AIFMs that manage or market AIFs</p>	

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				<p>outside the EU. The agreements also cover co-operation in the cross-border supervision of depositaries and AIFMs' delegates. National securities regulators in the EU, as the supervisors of AIFMs, are in the process of signing MoUs with those jurisdictions relevant to their market. To date, Consob has signed 24 of the above-mentioned arrangements with non-EU national competent authorities. See also EU Commission response</p> <p>Highlight main developments since last year's survey:</p> <p>BI Regulation on Collective Fund Management has been updated on 19 January 2015 to implement in Italy the EU legislation (Regulations, directives, guidelines, ect.) which harmonises the discipline of the hedge funds management, including the EU wide and international cooperation between authorities.</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>http://www.esma.europa.eu/news/ESMA-publishes-signed-AIFMD-cooperation-</p>	

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				agreements http://www.consob.it/main/consob/cosa_fa/impegni_internazionali/accordi.html See also EU Commission response	

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3 (4)	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 principle 2.iii of IOSCO Report on Hedge Fund Oversight (Jun 2009). Jurisdictions should also indicate the steps they are taking to implement the new standards on equity exposures (Capital requirements for banks' equity investments in funds, Dec 2013) by 1 January 2017.</p> <p>For further reference, see also the following documents :</p> <ul style="list-style-type: none"> • BCBS Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • BCBS Banks' Interactions with Highly Leveraged Institutions (Jan 1999) 	<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:</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: January 2014 (with the entry into force of the CRR).</p> <p>Issue is being addressed through :</p> <p><input checked="" 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>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 implementation of the standardized approach for credit risk the Bank of Italy</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>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 the legislation mentioned under recommendation n. 1 above)</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

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II. Securitisation					
4 (6)	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 monolines.</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:</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: March 2009</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 type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>In the Italian insurance market there are no monoline insurers because according to IVASS regulations dated 1991, Italian undertakings cannot underwrite pure financial risks i.e. risks related to the settlement of financial operations, loans, securitization, stock exchange placing,</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>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.</p> <p>Highlight main developments since last year's survey:</p> <p>No specific developments to report.</p> <p>Web-links to relevant documents:</p> <p>http://www.ivass.it/ivass/imprese_jsp/PageRegolamentiSearch.jsp?nomeSezione=NORMATIVA&nomeSezione=NORMATIVA&ObjId=220097</p>	

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5 (7)	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 product.</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:</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: 2005 (adoption of Law no. 262 of December 28, 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 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 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</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>MiFID2/MIFIR is in the process of being transposed/implemented into the national legal framework. UCITS V implementing provisions on risk retention requirements are still to be finalised at EU level. See response by EU Commission.</p> <p>Web-links to relevant documents:</p> <p>See response by EU Commission</p>

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				<p>instruments related distribution and disclosure rules 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. On March 2, 2009 Consob issued “Guidance on the distribution of illiquid financial products” (Res. no. 9019104) 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 - such as for instance OTC derivatives, financial insurance policies and unlisted bank bonds – 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. The Guidance includes measures relating to suitability/appropriateness of illiquid financial products for the retail investor. Moreover, in 2012, ESMA issued “Guidelines on certain aspects of the MiFID suitability requirements”</p>	

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				<p>(ESMA/2012/387). The Guidelines have been implemented in Italy through Consob's Res. n. 12084516 of October 25, 2012. More recently, the package MiFID2/MIFIR has introduced for national supervisory authorities, amongst other things, the power to impose limitations and/or prohibitions also on the placing of complex financial products. Moreover, Consob has published a Communication for intermediaries on the subject of distribution of complex financial products to retail customers (Communication No. 0097996 of 22 December 2014) 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. This also includes the recommendation to brokers to abstain from placing more complex financial instruments with retail customers. The document is in line with the recent guidance issued by ESMA and makes use of the work of IOSCO and is in keeping with the above-mentioned principles of the MiFID2. With regard to collective investment schemes (CIS), asset managers shall ensure a high level of diligence in the selection and ongoing</p>	

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				<p>monitoring of investments, in the best interests of CIS and the integrity of the market. For the purpose of the above, they shall, for each CIS, develop a decision making process structured as follows: (a) acquire reliable, up-to-date information as necessary to prepare forecasts and carry out analyses; (b) define the consequent general investment strategies; (c) before ordering the operations, and considering the characteristics of the potential investment, carry out a qualitative and quantitative analysis of its contribution to risk-return profiles and the liquidity of the CIS managed; (d) ensure that investment decisions are implemented in compliance with the investment objectives, investment strategies and risk limits of the CIS they manage (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 mechanically rely on credit ratings for assessing the creditworthiness of an entity or financial instrument, but they shall make their own credit assessment. The</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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).</p> <p>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, the communications issued by the supervisory Authorities taking into account the respective sectoral regulatory frameworks focus on the obligations, for asset management companies, insurance companies and pension funds, of a correct assessment of creditworthiness of the investment activities and a diligent, transparent and correct behaviour in the interest of investors, pension funds participants and market stability. In its communication, Consob draws the attention to the fact that in the exercise of</p>	

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

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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) although the implementing acts have still to be finalised. See also EU Commission response. IVASS issued new Regulations requiring insurance undertakings to have in place investment policies. In particular under Reg. 36 the investment policy shall be the subject of a specific resolution adopted by the administrative body, shall be reviewed at least once a year and be submitted to IVASS. The use of derivative instruments shall be consistent with the principles of sound and prudent management of the undertaking. The exposure to market risks due to the use of derivative instruments shall be equivalent to that which can be obtained by directly using the underlying assets based on</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>balanced and prudent portfolio management. With Reg. 32 IVASS prohibited the use of credit derivatives or asset-backed securities as contract reference parameter for “index-linked” products. Additionally the securities representing policies may no longer represent the reference entity of insurance benefits, but only the company's financial cover against contract obligations. This means that policyholder might not bear the default risk of the issuers of the securities bought by undertakings, and that undertakings may more easily replace, where necessary, assets representing technical provisions in case of depreciation. (more details are provided in the word template)</p> <p>Highlight main developments since last year’s survey:</p> <p>The package MiFID2/MiFIR (Directive 2014/65/EC and Regulation no. 600/2014), which has introduced for national supervisory authorities, amongst other things, the power to impose limitations and/or prohibitions also on the placing of complex financial products, has been published on June 12, 2014. Moreover, as mentioned above, Consob</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>has issued a communication on the distribution of complex financial products to retail customers. Regarding Insurance Regulation 36 was amended and entered into force as of 30 June 2014 in order to anticipate the implementation of some governance and investment principles provisions of Solvency II (Directive 2009/138/EC) which will be effective as of January 2016. This latter, which also contains provisions (rules on investment, governance, rules in case of breach) on investment in structured products, has been implemented by Italy in the Italian Code of Private Insurance that has been amended accordingly (May 2015) to incorporate the new requirements (Legislative Decree 12 May 2015 n 74).</p> <p>Web-links to relevant documents:</p> <p>http://www.ivass.it/ivass/imprese_jsp/Pag eRegolamentiSearch.jsp?nomeSezione=NORMATIVA&nomeSezione=NORMATI VA&ObjId=220097</p> <p>http://www.ivass.it/ivass/cms/docs/F32538/D_lgs%2012%20maggio%20%202015%20n_%2074_Atтуazione%20direttiva%202009_138_CE%20Solvency%20II.p df</p> <p>Consob Resolution no. 9019104/2009: http://www.consob.it/main/documenti/bollettino2009/c9019104.htm?hkeywords=9019104&docid=31&page=0&hits=32</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>ESMA’s Guidelines on certain aspects of the MiFID suitability requirements: http://www.esma.europa.eu/system/files/2012-387.pdf Consob’s Resolution n. 12084516 of October 25, 2012: http://www.consob.it/main/documenti/bollettino2012/c12084516.htm Consob Communication of July 22, 2012 http://www.consob.it/main/documenti/bollettino2013/c0062557.htm Consob Communication no. of December 22, 2014 http://www.consob.it/main/documenti/english/en_newsletter/2015/year_21_n-26_6_july_2015.html#news5 MiFID2: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0065&from=EN MiFIR: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0600&from=EN Delegated Regulation (EU) no. 231/2013: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:083:0001:0095:en:PDF See also EU response.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
6 (8)	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 taken for enhancing disclosure of securitised products.</p> <p>See, for reference, IOSCO’s Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012) and IOSCO’s Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).</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:</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 paragraph 1 of Legislative Decree no. 58/1998, the prospectus for public offers and admissions to trading of EU financial</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 EU Commission response.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. 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 of the receivables which are not immediately utilised to satisfy the rights of the securities holders; (f) any ancillary</p>	

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

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>sets forth a rotation mechanism for credit rating agencies issuing credit ratings on re-securitisations .</p> <p>Furthermore, for originators, sponsors and original lenders, the sectoral legislation provides for disclosure requirements in relation to the applicable risk retention obligations. In particular, the CRR (Regulation (EU) no. 575/2013), which is directly applicable in Italy, requires that a specific disclosure should be made by the originator, sponsor or original lender concerning the retention, on an ongoing basis, of a material net economic interest of no less than 5 %, in order to allow an institution, other than when acting as an originator, a sponsor or original lender, to be exposed to the credit risk of a securitisation position in its trading book or non-trading book (article 405). 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. In this regard, the provisions specify that the inclusion of a statement on the retention commitment in the prospectus for the securities issued under the securitisation</p>	

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				<p>programme is considered an appropriate means of fulfilling the requirement. Furthermore, the Delegated Regulation requires that the disclosure shall also be confirmed after origination with the same regularity as the reporting frequency of the transaction, at least annually and in some specific circumstances. In addition the Delegated Regulation also establishes for originators, sponsors and original lenders specific disclosure requirements on materially relevant data (referred to under Article 409 CRR), which should be readily accessible to investors, without excessive administrative burden. In order for data to be considered to be materially relevant with regard to the individual underlying exposures, it shall, in general, be provided on a loan-by-loan basis, however there are instances where the data may be provided on an aggregate basis. Penalties in terms of additional capital requirements are foreseen in case of breaches of all the requirements mentioned above. For traditional UCITS and alternative investment funds (AIFMD), consistently with the above-mentioned provisions set forth for the banking sector, Commission Delegated Regulation no. 231/2013, detailing the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>requirements to be met by the originator, the sponsor or the original lender, in order for an AIFM to be allowed to invest in securitisation positions in accordance with Article 17 AIFMD (Directive 2011/61/EU), provides that an explicit disclosure should be made by the originator, sponsor or original lender that it retains, on an ongoing basis, a material net economic interest of at least 5 % to the AIFM, in order to allow the AIFM to assume exposure to the credit risk of a securitisation on behalf of one or more AIFs it manages. As mentioned above, the process of transposing AIFMD requirements into the national legal framework has been completed. Similar provisions are in place in the UCITS framework, although the implementing acts have still to be finalised. As for the AIFMD framework, Article 135 of Solvency II delegates the Commission to adopt measures laying down the requirements to be met by the originators or sponsors in order for an insurance or reinsurance undertaking to be allowed to invest in such securities or instruments. In this regard, the recently adopted Commission Delegated Regulation of October 10, 2014 (articles 254 and</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>followings) provides that the originator, sponsor or original lender shall retain, on an ongoing basis a material net economic interest of at least 5 %, and shall explicitly disclose that commitment to the insurance or reinsurance undertaking in the documentation governing the investment. See also EU Commission response (more details are provided in the word template)</p> <p>Highlight main developments since last year's survey:</p> <p>The AIFMD provisions have been fully implemented into the national legal framework. See also EU Commission response. As mentioned above, for traditional UCITS and alternative investment funds (AIFMD), consistently with the above-mentioned provisions set forth for the banking sector, Commission Delegated Regulation no. 231/2013, detailing the requirements to be met by the originator, the sponsor or the original lender, in order for an AIFM to be allowed to invest in securitisation positions in accordance with Article 17 AIFMD (Directive 2011/61/EU), provides that an explicit disclosure should be made by the originator, sponsor or</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>original lender that it retains, on an ongoing basis, a material net economic interest of at least 5 % to the AIFM, in order to allow the AIFM to assume exposure to the credit risk of a securitisation on behalf of one or more AIFs it manages. In particular, prior to an AIFM assuming such exposure it shall ensure that the sponsor and the originator:</p> <p>(i) grant readily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure and such information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures (for that purpose, materially relevant data shall be determined as at the date of the securitisation and where appropriate due to the nature of the securitisation thereafter); (ii) grant readily available access to all other relevant data necessary for the AIFM to comply with the relevant qualitative requirements laid down in Article 53 of the Delegated Regulation;</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>(iii) disclose the level of their retained net economic interest, as well as any matters that could undermine the maintenance of the minimum required net economic interest of 5%. Furthermore, AIFMs shall include appropriate information on their exposures to the credit risk of securitisation and their risk management procedures in this area in the reports and disclosures to be submitted in accordance with Articles 22, 23 and 24 of AIFMD (annual report, disclosures to investors – including prospectus – to be made before the AIFM invest in the AIF as well as in occasion of any material changes thereof, reporting obligations to competent authorities). As mentioned above, the process of transposing AIFMD requirements into the national legal framework has been completed.</p> <p>Web-links to relevant documents:</p> <p>Law no. 130/1999: http://www.consob.it/main/documenti/Regolamentazione/normativa/leg130.htm?keywords=&docid=2&page=0&hits=7#2 Legislative Decree no, 58/1998: http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm Delegated Regulation (EÜ) no. 231/2013: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				?uri=OJ:L:2013:083:0001:0095:en:PDF See also EU Commission response	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
III. Enhancing supervision					
7 (9)	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. 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) • BCP 12 (Sep 2012) <p>IAIS:</p> <ul style="list-style-type: none"> • Global Systemically Important Insurers: Policy Measures (Jul 2013) • ICP 23– Group wide supervision <p>FSB:</p> <ul style="list-style-type: none"> • Framework for addressing SIFIs (Nov 2011) 	<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:</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: March 2015 (with the identification of the Italian G-SIB UniCredit Group).</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 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>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</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Bank of Italy will continue to actively participate in the FSB SIFI project and other working groups of the BCBS which are evaluating and discussing policy options to deal with SIFIs. Bank of Italy will finalise in the coming months a methodology “EBA-compliant” to identify the domestic O-SIIs and will assess the need (if any) for capital buffers. Consob is also contributing to the FSB work related to global systemically important non-bank financial entities (non-bank G-SIFIs), as well as to the IOSCO work stream on the development of an Assessment Methodologies for Identifying Non-Bank Non-Insurer Global Systemically Important Financial Institutions. IVASS actively participate in the IAIS work related to G-SIIs (Globally Systemic Important Insurers) and has started the implementation of policy measures towards the Italian designated G-SIIs. European Commission announced an initiative on resolution related matters for insurers.</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>2, institutions deemed as systemically important are subject to more stringent prudential requirements 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. In 2006, the Bank of Italy, Consob and ISVAP (now IVASS) signed a coordination agreement on identification and capital adequacy of financial conglomerates.</p> <p>In Europe the Directive 2013/36/EU (Capital Requirements Directive IV – CRDIV) introduces a 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. On the O-SIIs the EBA has</p>	<p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>issued the guidelines that should be taken into consideration by the national authorities to identify the O-SIIs located in their jurisdiction . The Bank of Italy participated to the drafting of the EBA guidelines and contributed to the EBA data collection exercise whose final goal was to test the methodology the guidelines propose and whose results have been used to calibrate thresholds for identification purposes. According to the CRDIV both buffers should (G-SIIs)/could (O-SIIs) be implemented by the national authority from 1 January 2016. 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 G-SIIs and O-SIIs located in its jurisdiction and setting, if appropriate, the capital buffer for O-SIIs. Concerning the former aspect, for the first time the Bank of Italy has formally identified a bank authorized in Italy as a G-SII. 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 0.25 per cent of its total risk exposure from 1 January 2016. As for the identification of O-SIIs an array of different methodologies for identifying the systemic importance of domestic banks has been evaluated by the Bank of Italy for internal purposes. However, these results have not been disclosed and domestic SIBs have not been formally identified. Considering the presence of a pan-European framework described in the EBA guidelines on O-SIIs, the Bank of Italy has devoted its resource to implement an EBA-compliant identification methodology. Internal work aimed at evaluating the need to impose a buffer on the O-SIIs that will be identified according to the methodology is close to its finalization.</p> <p>Highlight main developments since last year's survey:</p> <p>On 4 March, 2015 the Bank of Italy has identified UniCredit banking group as a global systemically important institution (G-SII) authorized to operate in Italy. Based on data as at 31 December 2013, the UniCredit group is in the first subcategory of global systemic</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>importance. According to the transition period envisaged under CRD IV, the UniCredit group is required to maintain a capital buffer for the G-SIIs of an amount equal to 0.25 per cent of its total risk exposure from 1 January 2016. The decision was taken pursuant to Bank of Italy Circular No. 285 on prudential regulations for banks, published on 17 December 2013, which implements the CRD IV rules in Italy and specifies the criteria on which the methodology for identifying the G-SIIs is based. The criteria and data required to identify and classify the G-SIIs among the various subcategories are listed in the Commission Delegated Regulation (EU) No 1222/2014 of 8 October 2014. The delegated regulation contains provisions consistent with the methodology used by the Basel Committee on Banking Supervision and the Financial Stability Board (FSB), in order to ensure that each year the banks identified as global systemically important institutions correspond to the European banks included on the FSB list, also published annually.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Web-links to relevant documents: https://www.bancaditalia.it/compiti/stabilita-finanziaria/politica-macroprudenziale/documenti/en-UCG-050315.pdf?language_id=1</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
8 (10)	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 using, as reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Principle 13 of the BCBS Core Principles for Effective Banking Supervision (Sep 2012) • Principles for effective supervisory colleges (Jun 2014) <p>IAIS :</p> <ul style="list-style-type: none"> • ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges • Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges • 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 :</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: Banking: 31.12.2007 Insurance: 31.05.2000 Securities market: 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 and response from EU Commission.</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)</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>Consob and the BI may enter into cooperation agreements with other EU competent 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. 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 MMoU for the supervision of UCG has been concluded,</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. 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).</p> <p>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 market infrastructures (CCP) and the role given to ESMA in promoting and monitoring colleges of supervisors under the EMIR Regulation (Regulation no. 648/2012), see response from the EU Commission. As regards credit rating agencies, since July 2011 all registration</p>	

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

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 among the competent authorities. The Joint Guidelines apply as from 23 February 2015. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>supervisory Authorities dated 11 May 2000. Since 2010, all Italian cross-border groups have approved a concrete work plan to coordinate the supervisory work of the different members of the colleges. IASS has also reviewed the internal Supervisory Guide - “Guide for the supervisory activity”, in February 2014 - (an handbook of rules governing the supervisory review process), which regard the “Assessment cycle - planning phase” and the “Cooperation with other supervisory authorities - college of supervisors”. The guide sets out that - in the setting of priorities within the annual supervisory planning - any need for international cooperation related to large insurance undertakings and groups are of important value as an input for the supervisory planning. This means that outcomes/elements from the college planning activity (both in case IVASS is Group or host supervisor) have to be taken into account when planning the supervisory activity. In addition it is stated that the cooperation among authorities is a prerequisite for the conduct of the review process and prudential supervision on cross-border groups, especially for those of greater</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>importance in the EU. (More details in the word template)</p> <p>Highlight main developments since last year's survey:</p> <p>On 4 November 2014 the Single Supervisory Mechanism started to operate. From that moment, the ECB gained the role of home supervisor in the UCG college (being UCG a so called "significant banking group") and the 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. 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. In line with the Financial Stability Board</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>recommendations, a Crisis Management Group (CMG) was set up to gather National Supervisors of the major country where the G-SII group operates. In some cases representatives of the group were invited to join specific sessions. In these meetings it was agreed on the adoption of the Systemic Risk Management Plan (SRMP), of the Recovery Plan, and Liquidity risk Management Plan. These documents which were approved by the Board of the parent company will be fine-tuned during the current year. Consob has provided its contribution, within its competences, for four CCP colleges (concerning foreign CCPs) to which it participates. The concerned CCPs have been authorized in the period comprised between april and june 2014. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>conglomerates.</p> <p>Web-links to relevant documents:</p> <p>https://www.bancaditalia.it/compiti/vigilanza/intermediari/TUB_giugno_2015.pdf http://www.consob.it/main/documenti/Regolamentazione/normativa_ln/dlgs58_1998.htm EBA http://www.eba.europa.eu/regulation-and-policy/colleges-of-supervisors http://www.bis.org/publ/bcbs287.htm http://www.eba.europa.eu/regulation-and-policy/colleges-of-supervisors http://www.eba.europa.eu/supervisory-convergence/supervisory-colleges http://www.esma.europa.eu/system/files/jc_gl_2014_01_joint_guidelines_on_coordination_arrangements_for_financial_conglomerates.pdf</p> <p>Additional questions:</p> <p>1. Please indicate whether supervisory colleges for all G-SIBs/G-SIIs headquartered in your jurisdiction have been established. If not, please explain.</p> <p>Supervisory colleges are established with regard to the Italian G-SII.</p> <p>2. Please indicate the structure of the supervisory colleges for G-SIBs/G-SIIs in your jurisdiction (core, universal, other) and the reasons why it may differ across firms.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Based on the BCBS Principles for effective supervisory colleges (Jun 2014), the Unicredit college of supervisors may be considered as a “universal” college (wider configuration of other supervisory authorities but not necessarily all host supervisors). Regarding Insurance different level and types of supervisory colleges are set out depending on the group structure: Financial Conglomerates (Fi.Co): In this context there is the most extensive college gathering representatives from both the insurance , financial and banking sector. Insurance Colleges of Supervisors: this is held on an European level including the Supervisor from Switzerland. Thematic colleges: more focused colleges are set-up on specific issues such as Internal Models where European Authorities involved in the pre-application process are expected to participate. The cooperation with other European Authorities has been strengthened in the context of the pre-application for those firms which intend to use the Internal Model for the calculation of the capital requirement rather than the Standard Formula. According to SII, when groups are performing cross-border activity all</p>	

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				<p>Supervisors involved have to approve the internal model on a joint-decision basis. CMG: meetings concerning the Crisis Management group are set up out sideways.</p> <p>3. Please indicate the frequency of meetings over the past year of the supervisory colleges (core, universal, other) for G-SIBs/G-SIIs in your jurisdiction.</p> <p>On 2014, the Unicredit's college of supervisors has been held three times (15 April / 4-5 September /27 October) Fi.Co. the college is taking place annually The Insurance College of Supervisors is held at least once a year Thematic colleges: may be many over the year. In the past year around 10 colleges on Internal Models were organised. CMG: meetings arranged on a quarterly basis.</p> <p>4. Please describe the main objectives of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and the types of issues that have been discussed over the past year. (e.g. specific area(s) of risk, coordinated risk assessments, joint supervisory work, coordinated supervisory plans). In your response, please indicate briefly some of the main challenges in conducting joint risk assessments and steps taken to address them.</p> <p>G-SIBs: the main objective of the</p>	

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				<p>meetings held on 2014 was to reach a joint decision on capital adequacy and on matters pertaining to the liquidity situation of the Group. Other minor issue was referred to the internal model validation. G-SIIs: to coordinate the supervisory work cross border groups have approved a concrete work plan. The areas covered by the work plans are, amongst the others: assessment of the solvency position of the group; shared view of the risk profile of the group and the major entities; definition of an emergency plan; monitoring of intra-group transactions and risk concentration; approval of a joint-timetable for the pre-application of internal model (when relevant).The colleges are the ground field where supervisors exchange information to monitor the group structure, the governance, the financial situation, the solvency requirements, the analysis of the major risk areas, the results of the stress test, the internal models, the capital adequacy and its allocation within the group. In the absence of a defined joint risk assessment framework, Group Supervisors have developed a risk-sensitive framework within colleges, identifying common</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>methodologies and building up best practices</p> <p>5. Please describe the main challenges in the functioning of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and any plans to enhance the effectiveness of colleges.</p> <p>G-SIBs: Main challenges faced in the functioning of the Unicredit college: a) College objectives Resource intensive (budget, manpower, etc.) Expectations asymmetry (home and host) Colleges' preparation challenges (time constraint, circulation of materials in advance) b) College structure Seniority vs technical expertise c) Information sharing Information sharing restrictions due to confidentiality concerns Home authorities feel they share more information than host, vice versa More information shared in bilateral meetings rather than colleges d) Collaborative work Differences in legal requirements/restrictions makes joint-work a challenge (observed in most jurisdictions except in the EU) Lack of harmonization on accounting and regulatory standards. G-SIIs: Major challenges in the supervisory functioning of colleges originate from the increasing number of tasks assigned by Solvency II,</p>	

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				<p>which allocates a broad consultation activity within the Colleges. To enhance effectiveness of colleges the initiatives taken aim to develop very detailed and concrete work plans and to update regularly on the implementation progresses through physical meetings and interim calls.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
9 (11)	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:</p> <p><i>Status of progress:</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 (with the entry into force of the Banking Union)</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>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 the Consolidated Law on Finance, BI,</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>MiFID2 and MAR/MAD are to be transposed/implemented into the national legal framework. Specific technical standards are also envisaged to be provided by ESMA in this regard.</p> <p>Web-links to relevant documents:</p>

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				<p>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. BANKING. The BI cooperates with foreign financial authorities in accordance with the framework set by the EU legislation which provide for that the EU bank supervisors must cooperate with each other, with other EU non-bank supervisors and with the EU supervisory authorities. The exchange of information cannot be impeded or impaired by confidentiality obligations (professional and/or bank secrecy). EU legislation</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 Understanding for the functioning of EU</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. 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.</p> <p>The specific features of this cooperation</p>	

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				<p>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 the IMF recognized that the Italian</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. SECURITIES MARKET. 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 Committee of European Securities Regulators (now ESMA) 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, as above mentioned, 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>supervision of branches under MiFID (CESR/07-672). As regards the cooperation arrangements under the AIFMD and Consob’s experience in colleges of supervisors for credit rating agencies, 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 national and cross-border level. See also the response from the UE Commission.</p> <p>INSURANCE. 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. IVASS signed the IAIS MMOU in December 2012.</p> <p>Highlight main developments since last year’s survey:</p> <p>BANKING Since 4 November 2015 the Bank of Italy cooperates with the ECB and other euro area supervisory authorities within the contest of the Single Supervisory Mechanism. Euro</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>area authorities strictly cooperate by participating to the supervisory and policy decision process in the Supervisory Board and the Governing Council and to the on-going supervisory activity in the Joint Supervisory Teams. The EBA and the Basel Committee have issued new standards/principles for the operational functioning of the colleges. SECURITIES MARKET. MiFID2 and MAR new provisions on cooperation (to 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 performance of their supervisory and enforcement duties under these Directives/Regulation. Specific technical standards are also envisaged to be provided by ESMA in this regard. See also EU Commission response.</p> <p>Web-links to relevant documents:</p> <p>https://www.bancaditalia.it/compiti/vigilanza/intermediari/TUB_giugno_2015.pdf http://www.consob.it/main/documenti/Regolamentazione/normativa_ln/dlgs58_1998.htm https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>norme/circolari/c269/guida_parte_prima.pdf https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c285/CIRC_285_10_AG_GTO_integrale-segnalibri.pdf EBA http://www.eba.europa.eu/regulation-and-policy/colleges-of-supervisors http://www.bis.org/publ/bcbs287.htm http://www.eba.europa.eu/regulation-and-policy/colleges-of-supervisors http://www.eba.europa.eu/supervisory-convergence/supervisory-colleges MiFID2: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0065&from=EN MAR: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0596&from=EN See also response by EU Commission.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
10 (12)	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>No information on this recommendation will be collected in the current IMN survey due to the recent publication of the FSB thematic peer review report on supervisory frameworks and approaches to SIBs.</p>		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV. Building and implementing macroprudential frameworks and tools					
11 (13)	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 financial crisis, including 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 :</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: BANKING. A draft law implementing European legislation, in particular delegating the Government to issue a legislative decree to change the Consolidated Law on Banking of 1993 to make it aligned with the provisions of Council regulation (EU) n. 1024/2013, establishing the SSM, was presented to the Senate on 5/2/2015 and approved by the Senate itself and it is now under discussion at the House of Representatives (see article 4). Pursuant to art. 5 (1ter) of the Italian Insurance Code as amended by legislative Decree 12 May 2015, n.74 and applicable since January 2016 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 action, also on</p>	<p>Planned actions (if any) and expected commencement date:</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.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>other Member States INSURANCE. IVASS has recently built up a new macro-prudential analysis department with the objective of carrying out macro-prudential analysis and assessment in the Italian insurance market, to monitor macro-prudential risks and assess the potential effects towards insurancee undertakings of stressed situation in the financial markets. This is done also in coordination with EIOPA. IVASS has the power to collect information from insurance undertakings to this aim.</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 2015 (implementation of the CRD IV has been completed with the introduction of the article 53-ter on macro-prudential measures).</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>CRD IV transposition. ON GOING / Draft regulation BANKING. A draft law implementing European legislation, in particular delegating the Government to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>issue a legislative decree to change the Consolidated Law on Banking of 1993 to make it aligned with the provisions of Council regulation (EU) n. 1024/2013, establishing the SSM, was presented to the Senate on 5/2/2015 and approved by the Senate itself and it is now under discussion at the House of Representatives (see article 4). 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. INSURANCE. IVASS has recently built up a new macro-prudential analysis department with the objective of carrying out macro-prudential analysis and assessment in the Italian insurance market, to monitor macro-prudential risks and assess the potential effects towards insurancee undertakings of stressed situation in the financial markets. This is done also in coordination with EIOPA. IVASS has the power to collect information from insurance undertakings to this aim.</p> <p>Highlight main developments since last</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>year's survey:</p> <p>Completion of transposition of CRD IV. Completion of transposition of CRD IV. The legislative decree 12 May 2015 n.72 (article 53-ter on macro-prudential measures) completed the Italy's transposition of the CRD IV and the Bank of Italy has been identified as the designated authority responsible for the activation of the macroprudential instruments provided for by CRDIV/CRR legislation. The transposition process of some EU directives is currently under way: directive 2014/49/UE on deposit guarantee schemes; 2014/59/UE on recovery and resolution of credit institutions and investment firms; 2014/65/UE on markets in financial instruments; directive 2014/91/UE on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions.</p> <p>Web-links to relevant documents:</p> <p>(IN ITALIAN ONLY) http://parlamento17.openpolis.it/atto/docu</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>mento/id/113805 http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto-legislativo:2015-05-12;72 http://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c285/index.html Legislative Decree no. 58/1998: http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm Regulations establishing ESRB, EBA, EIOPA and ESMA: http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2010:331:SOM:EN:HTML</p> <p>Additional questions:</p> <p>1. Please describe the institutional arrangements for financial stability and macroprudential policy in your jurisdiction, including whether a macroprudential authority has been explicitly identified and the respective roles and responsibilities of the central bank and other authorities.</p> <p>The legal framework assigns responsibilities in the area of financial stability to three entities (Banca d'Italia, IVASS, and Consob) although in practice Banca d'Italia plays a leading role. The Bank of Italy has been identified as the designated authority responsible for the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>activation of the macroprudential instruments provided for by CRDIV/CRR legislation. A single national macroprudential authority, recommended by the ESRB (ESRB recommendation n. 3/2011), has not been established yet.</p> <p>2. If a macroprudential authority has been explicitly identified in your jurisdiction, please describe its legal basis, mandate, composition, powers (warnings, recommendations, prudential tools, powers of direction, other) and accountability arrangements. Who provides the resources and analytical support for the authority's activities?</p> <p>3. Is there an inter-agency body on financial stability or macroprudential matters – distinct from the designated macroprudential authority – in your jurisdiction? If so, please describe its legal basis, mandate, composition, powers and accountability arrangements. Who provides the resources and analytical support for its activities?</p> <p>A Committee for the Safeguard of Financial Stability (CSFS) was formed via a 2008 Memorandum of Understanding (MoU) between the MEF and the financial sector supervisory authorities. It does not have a statutory mandate (please see 2014 IMN survey for more details).</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>4. Please describe the extent to which the macroprudential authority (or other relevant body) is able to collect information on material financial institutions, markets and instruments in order to assess potential systemic risks. In your response, please indicate whether the authorities involved in systemic risk monitoring have specific legal powers to collect information from financial institutions (whether regulated or not) for financial stability purposes, and whether there exist dedicated information gateways (e.g. Memorandum of Understanding) to share such information among relevant authorities.</p> <p>As indicated in the 2014 IMN survey, concerning the powers to collect and share relevant information among different authorities on financial institutions, markets and instruments to assess the potential for systemic risk, no gaps have been identified.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (14)	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 :</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 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>Implementation of the capital conservation buffer without any further transitional period (date of entry into force: 1/1/2014) and identification of UniCredit banking group as a global systemically important institution (G-SII) authorized to operate in Italy (press release: 4/3/2015).</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>CRD IV transposition and introduction of</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Improvement of the framework for identifying risks for financial stability, particularly in reference to the application of countercyclical capital buffer, the O-SII buffers and real estate related macroprudential instruments (in progress).</p> <p>Web-links to relevant documents:</p> <p>https://www.bancaditalia.it/pubblicazioni/qef/2015-0278/index.html?com.dotmarketing.htmlpage.language=1</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>macroprudential instruments.</p> <p>Highlight main developments since last year's survey:</p> <p>Completion of transposition of CRD IV and introduction of macroprudential instruments. The legislative decree 12 May 2015 n.72 (article 53-ter on macroprudential measures) completed the Italy's transposition of the CRD IV and the Bank of Italy has been identified as the designated authority responsible for the activation of the macroprudential instruments provided for by CRDIV/CRR legislation. The Circular No. 285 'Supervisory provisions for banks' was modified accordingly. Macroprudential instruments have been introduced: (i) identification of UniCredit banking group as a global systemically important institution (G-SII) authorized to operate in Italy and (ii) implementation of the capital conservation buffer without any further transitional period. For insurance see additional questions</p> <p>Web-links to relevant documents:</p> <p>http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto-legislativo:2015-05-12;72 (ONLY IN</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>ITALIAN) http://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c285/index.html (ONLY IN ITALIAN) http://www.bancaditalia.it/compiti/stabilita-finanziaria/politica-macprudenziale/index.html?com.dotmarketing.htmlpage.language=1</p> <p>Additional questions:</p> <p>1. Please describe, at a high level, the types of methodologies, indicators and reports used in your jurisdiction to identify, analyse, communicate and address systemic risks.</p> <p>BANKING. To monitor systemic risk the BI makes use of a wide range of analytical tools, including a number of early-warning indicators of financial stability and stress tests to assess the resilience of the banking system. Top-down stress tests are also used to assess the internal capital adequacy calculations performed by banks and to calibrate Pillar 2 requirements. The BI also monitors shadow banking and non-banking institutions and is working to enhance its toolkit, in particular metrics of risk concentration within the system. The analytical framework and the monitoring tools are reflected in the BI's Financial</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Stability Report, published twice yearly, such as: the analysis of credit and leverage developments; the analysis of the liquidity positions and funding structure of banks and the review of market indicators; indicators on exposure concentrations; the focus on systemic risks deriving from the insurance sector and from other financial intermediaries and markets; the assessments of risks emanating from financial market infrastructures. INSURANCE. IVASS 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. IVASS requests specific qualitative and quantitative information to a selected sample of undertakings, on quaterly basis and semi-annual basis; 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. This is carried out on a monthly basis and based on available data. It is focused on the main risk drivers of Italian insurance</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>sector. It is submitted to the Top Management of IVASS and shared with Micro-Surveillance Division (linkage between micro and macro supervision)..</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.</p> <p>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 on main risk factors at least annually as instrument to decide their risk policy and results shall be submitted to the Board of Directors). IVASS can require the results of the analysis together to the decisions made by Board of Directors. IVASS can also 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</p>	

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				<p>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). 2 new Indicators have been introduced. Scores have been calibrated in a different way whenever it have been deemed necessary. The main outcomes of the Risk Dashboard are systematically reported to the internal Crisis Management Committee.</p> <p>2. Please describe the range of policy tools (prudential and other)</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>currently available to the authorities for macroprudential purposes.²</p> <p>The Bank of Italy has under its direct control the following macroprudential instruments: - Countercyclical capital buffer and sectorial requirements are available to mitigate and prevent excessive credit growth and leverage; - Liquidity coverage ratio and Net stable funding ratio will be available, once implemented, to mitigate and prevent excessive maturity mismatch and market illiquidity; - Large exposure limits and powers under pillar 2 can be used to limit direct and indirect exposure concentrations; - Capital buffers can be imposed on G-SIIs and O-SIIs to limit the systemic impact of misaligned incentives with a view to reducing moral hazard; - CCPs' models and parameters of margins and haircuts are validated by the Bank of Italy; according to the EMIR legislation, this validation is a pre-requisite for a CCP's authorisation and aims at limiting risks to financial stability originating from these infrastructures and</p>	

² An indicative list of such tools can be found in “Macroprudential Policy Tools and Frameworks – Progress Report to the G20” by the FSB, IMF and BIS (October 2011, http://www.financialstabilityboard.org/wp-content/uploads/r_111027b.pdf); “Staff Guidance on Macroprudential Policy” (December 2014, <http://www.imf.org/external/np/pp/eng/2014/110614.pdf>) by IMF staff; and “Operationalising the selection and application of macroprudential instruments” (December 2012, <http://www.bis.org/publ/cgfs48.pdf>) by the CGFS.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>strengthening their resilience. Moreover, a EU-wide stress testing exercise on CCPs is being carried out by ESMA, on the basis of scenarios developed in cooperation with the European Systemic Risk Board; the bank of Italy follows closely this exercise. The outcome of the exercise is expected to provide significant inputs from a system-wide monitoring perspective. The Bank of Italy can also apply macroprudential instruments not harmonized by EU legislation, such as LTV, LTI, DTI ratios, by making use of the wide-ranging powers under art. 5 of the Italian Banking Law, to prevent or mitigate risks to the stability of the financial system.</p> <p>3. Please indicate which tools have been deployed for macroprudential purposes over the past year, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>a) The Bank of Italy has exercised the option provided for in Article 160(6) of Directive 2013/36/EU (CRD IV) to implement without any further transitional period the capital conservation buffer, which however in our opinion has a prevalent microprudential nature. As a result, as of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>1 January 2014, banks must maintain a level of Common Equity Tier 1 capital equal to 7 per cent of risk-weighted assets, calculated in accordance with Article 92(3) of Regulation (EU) 575/2013 (CRR), of which 4.5 per cent as a minimum requirement and 2.5 per cent as a capital conservation buffer requirement. Banks that fail to comply with the latter may not distribute dividends, variable remuneration and other components forming the regulatory capital over and above predetermined limits and must define the measures necessary to restore the required level of capital. The Bank of Italy has also exercised the option under Article 129(2) of CRD IV and exempted small and medium-sized investment firms from the capital conservation buffer requirement. These firms' contribution to systemic risk is negligible and their exemption from the requirement does not threaten the stability of the Italian financial system. For further information please see above web-link to the macroprudential policy decisions of the Bank of Italy. b) The Bank of Italy has identified UniCredit banking group as a global systemically important institution (G-SII) authorized to operate</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>in Italy. Based on data as at 31 December 2013, the UniCredit group is in the first subcategory of global systemic importance. According to the transition period envisaged under Directive 2013/36/EU (Capital Requirements Directive IV – CRD IV), the UniCredit group is required to maintain a capital buffer for the G-SIIs of an amount equal to 0.25 per cent of its total risk exposure from 1 January 2016. This buffer must be increased annually by 0.25 per cent of total risk exposure to reach 1 per cent of total risk exposure no later than 1 January 2019. The decision was taken pursuant to Bank of Italy Circular No. 285 on prudential regulations for banks, published on 17 December 2013. For more details please see above web-link to the macroprudential policy decisions of the Bank of Italy.</p> <p>4. Please describe whether and, if so, how the relevant authorities assess the <i>ex ante</i> cost and benefits of macroprudential policies and their <i>ex post</i> effectiveness.</p> <p>The Financial Stability Directorate of the Bank of Italy includes among its duties the evaluation of the effects of the implementation of macroprudential instruments. The framework for assessing</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>costs, benefits and effectiveness of macroprudential measures is currently being developed. As said before a Risk Dashboard covering the Italian market was introduced in the past year based on the experience within the EIOPA context.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Improving oversight of credit rating agencies (CRAs)					
13 (16)	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 obligations for CRAs) as early as possible</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) <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><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:</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: Regulation 1060/2009 effective as of 1 January, Regulation no. 213/2011 effective as of July 2011. See also EU Commission response. Insurance: reg. n. 36 June 2014, Insurance Code effective from January 2016 (By Law, May 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>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</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>in 2010. (FSB 2009)</p> <p>We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)</p>		<p>rating agencies were transferred to ESMA. Registration and certification are core activities within ESMA's supervisory responsibilities. Applicants are granted registration only if they demonstrate their ability to meet all the regulatory requirements. Any firm that is established in the EU and is carrying out credit rating activities in the EU without prior registration is operating in breach of Articles 2(1) and 14(1) of the Regulation. There were 22 registered CRAs on a group basis and two certified CRAs at the end of 2013. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>existing or potential conflict of interest or business relationship involving the credit rating agency issuing the credit rating, its managers, rating analysts, employees, any other natural person whose services are placed at the disposal or under the control of the credit rating agency, or any person directly or indirectly linked to it by control.</p> <p>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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>November 2013 and through the enhancement of the on-going dialogue at the IOSCO level, as ESMA contributed to the drafting of the recommendations for Supervisory Colleges for CRAs (published on 30 July 2013 on IOSCO’s website). The Regulation has been amended in 2011 and 2013 (see EU Commission response). See also EU Commission response.</p> <p>Highlight main developments since last year’s survey:</p> <p>In 2014, ESMA has published the RTS envisaged under Regulation no. 1060/2009 as amended by Regulation (UE) no. 462/2013, which have also been adopted and published as three different Delegated Commission Regulations (1/2015, 2/2015, 3/2015), in January 2015. In particular, the above-mentioned Regulations establish detailed measures for the fulfilment of the reporting obligations to ESMA of the data concerning, respectively: a) the disclosure requirements for issuers, originators and sponsors on structured finance instruments; b) the fees charged by CRAs to their clients; c) the rating information to be submitted for the purposes of the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>European Rating Platform. See also EU Commission response.</p> <p>Web-links to relevant documents:</p> <p>Regulation (EU) No 462/2013 of 21 May 2013 amending Regulation (EC) No 1060/2009 on credit rating agencies: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:146:0001:0033:EN:PDF</p> <p>Regulation (EC) No 1060/2009 on credit rating agencies: http://www.esma.europa.eu/system/files/L_302_1.pdf</p> <p>ESMA annual report 2014: http://www.esma.europa.eu/content/ESMA-supervision-Credit-Rating-Agencies-and-Trade-Repositories</p> <p>See also EU Commission response.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (17)	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 bodies in ending the mechanistic reliance on credit ratings and encourage steps that</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.</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 2014) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input checked="" 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 type="checkbox"/> Implementation completed as of:</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 subsequent updates). On the other end, from a supervisory activities point of view, in the Bank of Italy’s Guide for the</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>In 2015 Banca d’Italia is reviewing the statistical methodology used for BI-ICAS. Moreover, to increase the volume of activity further, other local branches are being involved in the expert module. We are in the process of assessing whether the reference to external rating in the above-mentioned law no. 130/1999 on securitisations has the potential to trigger sole or mechanistic reliance on such credit ratings and should, therefore, be removed or replaced. 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>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>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). 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 (amendments to the UCITS Directive and AIFMD) and occupational and retirement pensions (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 the implementation of the roadmap set forth under EU legislation to reduce over-reliance on CRA ratings.</p> <p>In particular, under the new provisions, reference to mechanistic reliance on credit ratings for assessing the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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, BI, 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, the communications issued by the supervisory Authorities taking into account the respective sectoral regulatory frameworks focus on the obligations, for asset management companies, insurance companies and pension funds, of a correct assessment of creditworthiness of the investment activities and a diligent, transparent and correct behaviour in the interest of investors, pension funds participants and market stability. In its communication, 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>ordering the execution of investment or disinvestment transactions related to, or depending from, a certain level of the credit rating or credit rating changes. Moreover, for each UCITS managed, the collective portfolio manager has to keep records documenting the aforesaid analyses and assessment activities that form the basis of the investment and disinvestment decisions taken. See also EU Commission response 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). IVASS is contributing to the definition of an Implementing Technical Standard (ITS) which regulates the credit rating assigned by certified ECAs. 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.</p> <p>Highlight main developments since last year's survey:</p> <p>Banca d'Italia 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 Banca d'Italia. In 2014 Banca d'Italia 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 . The activity of the ICAS has been further increased after the involvement in the expert system module of analysts of three local branches . 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 last 20 May and, in that occasion, a general check of its compliance with the EMIR regulation was made, including the reliance or not on CRAs. Furthermore, in the ongoing supervision also this issue is monitored by the Italian competent authorities. Italy's action plan to Implement the Financial Stability Board Principles for Reducing Reliance on Credit Rating Agency Ratings has been published.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Web-links to relevant documents: http://www.bancaditalia.it/compiti/polmon-garanzie/gestione-garanzie/qualita-crediti/index.html Italy's action plan: 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 (18)	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 deemed to be equivalent to IFRSs as published by the IASB or are otherwise of a high and internationally acceptable quality, 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><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:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" 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 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. These fora actively contribute to the evolution of accounting standards, by providing the</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>accounting standard setters with analysis and comments in due process. The Bank of Italy, Consob and IVASS, with the Ministry of Finance 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</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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>templates, in order to ensure a consistent and homogeneous "disclosure" in the Annual Report published by banks and other supervised financial intermediaries. Enforcement on financial information issued by listed companies is carried out by Consob on a systematic basis. 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 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>carried out by the Consob on a systematic basis. According to Article 89-quater of Consob Regulation no. 11971/1999, Consob shall perform checks of the financial information contained in the documents made public by listed issuers under the law on a sample basis, in accordance with the relevant standards issued by the ESMA.</p> <p>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. The article shall not apply to companies with shares listed only on regulated markets in other EU countries. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>may request that the issuer publishes this fact and arrange publication of supplementary information as necessary in order to 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>On January 19, 2015, Consob has published Communication no. 0003907, as further detailed above. Moreover, on July 2014, ESMA has published the Guidelines on enforcement of financial information, in force since December 29, 2014 and implemented by Consob. These</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Guidelines are addressed to all the competent authorities of EU Member States engaging in enforcement activities in relation to financial information pursuant to the Transparency Directive, with the objective to establish common supervisory practices as well as ensure a uniform application of EU legislation in this regard. The Guidelines are principle-based and provide indication to enforcers on some specific areas concerning, among others, objectives and scope of the supervisory activity, modalities by which the supervisory samples should be selected and other aspects of the methodology underlying the enforcement activity as well as types of enforcement actions which should be adopted by competent authorities. Specific measures aiming at strengthening the coordination of enforcement activities at EU level are also envisaged. See also EU Commission response.</p> <p>Web-links to relevant documents: Bank of Italy Circular n. 262/2005: https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c262/index.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
16 (19)	Appropriate application of Fair Value Accounting	<p>Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009)</p> <p>Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)</p>	<p>Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>Although not an application of fair value accounting, jurisdictions should additionally be mindful of implementation issues arising from the new accounting requirements for expected loan loss provisioning for impaired loans that are being introduced by the IASB and the FASB, and, for those jurisdictions where specific action is needed to foster transparent and consistent implementation, set out any steps they intend to take.</p> <p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> • Basel 2.5 standards on prudent valuation (Jul 2009) • Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 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:</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. Financial statements of the financial year closing or ongoing on 31 December 2005. Financial statements of the financial year closing or ongoing on 31 December 2005. Insurance 2009</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>BANKING. As reported in the response 15 above, all Italian banks apply</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>IAS/IFRS according to the Regulation (EC) no 1606/2002 of the European Parliament and of the Council of 19 July 2002. The Bank of Italy has no power in terms of valuation in the context of financial statements. As regards the 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. The Bank of Italy is also 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. The Bank of Italy is also involved in the initiatives that will be eventually undertaken at European level in order to incorporate the BCBS Guidance into the EU regulatory and supervisory framework.</p> <p>INSURANCE. Due to the turbulence in the financial market, Italian legislation (law n.2/2009) established temporary</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>measures on corporate assets' valuation (which was implemented at insurance sectoral level by ISVAP (IVASS) regulations n. 28 e 37) as counter-cyclical measures to cope with the crisis. In early 2012, the persistent financial market instability called for an extension and redefinition of the above mentioned temporary measures until the entry into force of the Solvency II Directive (Law n. 14 of February 2012). So currently, under the Italian legislation insurance undertakings have the temporary option not to account for unrealized losses (related to not durable investments for solo entities; and to Available For Sale at group level) for solvency purposes, but this option shall be limited to EU government bonds, provided that an equity non-distributable reserve equal to the unrealized losses has been posted. IVASS has powers of intervention in case of any threaten to the solvency position of the insurers. See also response under point 15 above and response by EU Commission.</p> <p>Highlight main developments since last year's survey:</p> <p>See also response under point 15 above and response by EU Commission.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Web-links to relevant documents: documents: Legislative Decree no. 58/1998: http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm Consob Regulation no. 11971/1999: http://www.consob.it/mainen/documenti/english/laws/reg11971e.htm Bank of Italy Circular n. 262/2005: https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c262/index.html http://www.ivass.it/ivass/impresesp/impresesp/RegolamentiDetail.jsp</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing risk management					
17 (20)	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 markets³ 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 FSB's thematic peer review report on risk governance (Feb 2013) and the 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>	<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:</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: January 2014</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>Highlight main developments since last year's survey:</p> <p>Since November 2014 the 15 largest</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>In the next future, the supervision on liquidity risk will be further strengthened by the use of the new specific scheme of reporting elaborated in the EU legislation (COREP and FINREP regulatory schemes, Regulation (EU) No 680/2014). Italian supervisor is fully involved in the activities conducted at SSM level.</p> <p>Web-links to relevant documents:</p>

³ 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>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>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
18 (22)	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 IFRS7 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 (Aug 2013), 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:</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: Banking 31.12.2013 Insurance 2014: amendments were brought to insurance accounting regulation on accounting templates, along the lines of those described for the banking sector.</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>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</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>in their Annual reports prepared according to IAS/IFRS (Circular n. 262/2005). 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 revision of Circular 262/2005 to be applied starting from end-2013 Annual Reports. With the 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, to be applied starting from end-2013 Annual Reports, have been made to take into account the recommendations provided</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>by the Enhanced Disclosure Task Force. The requirements of IFRS 12 “Disclosure of interests in other entities”, to be applied in EU at the latest as from the commencement date of the first financial year starting on or after 1 January 2014 have been adopted by amending the Circular n. 262/2005.</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p> <p>Bank of Italy Circular n. 262/2005: https://www.bancaditalia.it/compiti/vigilanza/normativa/archivio-norme/circolari/c262/index.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Strengthening deposit insurance					
19 (23)	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 checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: second half 2015</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" 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 type="checkbox"/> Implementation completed as of:</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, enacted in mid-2014) is currently under way, with complete implementation expected in second half of 2015. A level of coverage of 100,000 euro per depositor has been confirmed. The main change will be the adoption of</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>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 mid-2014) will introduce depositor preference; that is, the DGS subrogating to reimbursed depositors will have 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), enacted in mid-2014, is currently under way, with complete implementation expected in the second half of 2015. In addition, the transposition law of the Directive on Recovery and Resolution of credit institutions (BRRD), enacted in mid-2014, will introduce depositor preference; that is, the DGS subrogating to reimbursed depositors will have 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					
20 (24)	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 recommendation in the following IOSCO reports in their regulatory framework:</p> <ul style="list-style-type: none"> • Regulatory issues raised by changes in market structure (Dec 2013) • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011) • Report on Principles for Dark Liquidity (May 2011). 	<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:</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 regulatory 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 type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Ongoing supervision and Consob</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>See response by EU Commission. Moreover, the implementation/transposition into the national legal framework of MAR/MAD and MIFID2/MIFIR is already underway.</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
				<p>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 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 authority for market abuse investigations. RMs and MTFs operators are required to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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.</p> <p>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 do not introduce any new obligations with respect to those established in the Mifid and Market Abuse Directives but rather are aimed at ensuring a standardised, uniform, coherent application of European Union provisions to systems and controls</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>established for trading platforms and 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>investment management services. With regard to the risks posed by dark trading (i.e. dark pools, as markets where there is no pre-trade transparency), it is noted that waivers to pre-trade transparency requirements are strictly regulated at EU level. In addition, as required by the EU legislation, each and every use of a waiver by regulated markets and MTF operators need to be previously authorised by Consob. The market microstructure (including the types of orders) is set out in the rules adopted by regulated markets and MTFs operators, respectively approved and verified by Consob or by the Ministry for Economy and Finance for wholesale markets in government securities, after consulting the Bank of Italy and Consob. Information on dark trading and dark orders is included in the data set provided to the regulators. In addition, further transparency in OTC derivative markets is 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>are: (i) 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>MiFID2/MiFIR and MAR/MAD have</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>been adopted and published.</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
21 (25)	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:</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. However, the existing rules have been further strengthened with the adoption of the new MAR/MAD and MIFID2/MiFIR regimes (See response by the EU Commission). 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>Planned actions (if any) and expected commencement date:</p> <p>See response by 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
				<p>Legislative Decree no. 58/1998 provides for some specific rules applying to energy and gas derivative markets. In particular, article 66-bis of the Consolidated Law on Finance widens the scope of the provisions of Chapter I, Part III, Title I of the Decree, concerning regulated markets, 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 and the Authority for Electricity and Gas and requires the stipulation of special memoranda of understanding. The Autorità per l'energia elettrica e il gas (AEEG) is the competent authority for the supervision of the underlying energy market, where the reference price for the financial futures contracts is determined. Consob and AEEG signed the required MoU in 2008 for the exchange of the relevant information between the two authorities. The MoU provides for the establishment of a Technical Committee and a Contact Body intended to manage the exchange of information between the two authorities. More in details, Consob and the Authority for Electricity and Gas</p>	

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

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>in compliance with market practices". 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.</p> <p>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 documents and records on a</p>	

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

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 above, further transparency is</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>also ensured under the EMIR regime. As regards the adoption of Markets in Financial Instruments Directive (commonly called MiFID II) and Market Abuse Regulation (MAR) and subsequent implementing measures, see EU Commission response.</p> <p>Highlight main developments since last year's survey:</p> <p>MiFID2/MiFIR and MAR/MAD have been adopted and published.</p> <p>Web-links to relevant documents:</p> <p>Legislative Decree no. 58/1998: http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm#Article_66 As regards the adoption of Markets in Financial Instruments Directive (commonly called MiFID II) and Market Abuse Regulation (MAR) and subsequent implementing measures, see EU Commission response</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
22 (26)	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 the FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Enhancing financial consumer protection					
23 (27)	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.</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:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" 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: In 1999, with the entry into force of the Consolidated Law on Finance, although further measures have been adopted afterwards and in the recent years (as detailed below) to strengthen and enhance the safeguards and rules already provided. Banking: July 2009 (with the “Regulation on transparency in banking services and conduct rules in the relationship between intermediaries and clients”) However, strengthened rules are also provided under the new MiFID2/MiFIR and MAD/MAR regimes, as well as under PRIPs Regulation. Insurance: 2015 (amendment to the Regulation n. 24)</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>Planned actions (if any) and expected commencement date:</p> <p>European Institution agreed on a recast of the insurance mediation directive aimed at enhancing consumer protection in the activity of insurance distribution. For insurance, further work is pending at EIOPA about compliants towards insurance intermediaries. See response by the EU Commission. Moreover, the process of implementation/transposition of MiFIR/MiFID2 new provisions is already underway.</p> <p>Web-links to relevant documents:</p> <p>http://europa.eu/rapid/press-release_IP-15-5293_en.htm See also response by EU Commission</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Protocols, engagement with financial consumer associations.</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 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 rules on disclosure and transparency and the business conduct; controls on authorized agents are carried out by an ad hoc control body, the OAM (Organismo degli agenti e dei mediatori), overseen by the Bank of Italy. The Bank of Italy plans its controls drawing on information derived from the monitoring of intermediary-customer relations and are</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>conducted with methods calibrated to the characteristics of the intermediaries 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 circumstance described in reports received by the Supervision Area of the Bank of Italy. Controls on intermediaries verify both the compliance with transparency rules and the organizational arrangements to guarantee the substantial fairness of relations with customers. Controls, and on-site inspections in particular, reflect these two dimensions of the supervision: controls on branches (lasting from 1 to 3 days) and on-site inspections on the headquarters, even focused on the compliance with transparency regulation. Controls are focused increasingly on the organizational arrangements adopted, to ensure that in every phase of the activity due attention is paid to the rules on transparency and to the legal and reputational risks inherent in dealing with customers. Financial education</p> <p>According to the G20 High-level</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Principles on Financial Consumer Protection, Bank of Italy considers financial education as part of its 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. There is information on current accounts, mortgage lending, inflation and price stability, consumer credit, payment cards and also a basic financial glossary. In the website consumers can also find news and read about events plus a link to the main financial education projects of the European Central Bank. In 2007, based on a Memorandum of Understanding, the Bank of Italy and the Ministry of Education, University and Research (MIUR) started cooperating to run an experimental program aimed at</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>incorporating financial education into school curricula for all school levels, as a part of various subjects. The program, inspired by OECD recommendations, is the first of its kind to be sponsored and conducted by public bodies and to be devoid of any marketing purposes. This school year (2014-2015) we are running the project for the 7th time. The program is continuing to expand, and the number of pupils is rising together with the number of classes: the pilot exercise involved 650 pupils; last year about 60.000 students were involved.</p> <p>BUSINESS CONDUCT According to the Consolidated Law on Finance, Consob has responsibility for transparency and proper conduct of business by intermediaries (Article 5(3)); the orderly functioning of regulated markets (Article 73 and 74); the protection of investors; and the efficiency and transparency of the market in corporate control and the capital market (Article 91). To pursue such objectives, in broad terms, Consob has power to issue regulations in the matters falling into its competence. Moreover, Consob has licensing, supervisory, and enforcement powers over regulated entities. The rules of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>conduct applicable in the provision of investment services are set forth in Legislative Decree no. 58/1998 and Consob Regulation 16190/2007. 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 Article 37 of Consob Regulation 16190/2007 and additional requirements for portfolio management services in Article 38. 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. Strengthened rules have been introduced by MiFIR/MiFID2 regime. In particular, it is noted that under the new provisions,</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>national supervisory authorities have, amongst other things, the power to impose limitations and/or prohibitions also on the placing of complex financial products. 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. It includes ‘Dos and Don’ts’ for investors and education initiatives, as well as a warnings section notifying investors about unauthorized activities and fraudulent investment services. In 2010 Consob also signed a protocol of understanding with the BI, COVIP, ISVAP (now IVASS) and the Competition and Market Ombudsperson to promote and create joint initiatives on the investor protection, to strengthen the existing reciprocal cooperation tools and to coordinate future activities. 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 and their exercise. Consob has a Division for Consumer Protection to deal, among others, with investors’ complaints.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>This Division performs a preliminary analysis of the complaints and of the possible action to be taken by Consob. Following that analysis, the complaint is forwarded to the operational unit in charge of the subject matter to follow up the case. It is up to the competent unit to decide whether or not to open an inspection, issue a cease and desist order, etc. In this respect, Consob has recently adopted a new revised procedure for the handling of complaints. See also response by the EU INSURANCE IVASS implemented the EIOPA guidelines on complaints handling by insurance undertakings through amendments to the IVASS Regulation n. 24. IVASS issued the Regulation n.5/2014 on the implementing rules concerning the fulfilment of customer due diligence and recording requirements by insurance undertaking and insurance intermediaries. (for more details are provided in the word template)</p> <p>Highlight main developments since last year's survey:</p> <p>BANKING During 2014 the Bank of Italy disposed 280 controls on branches, covering 124 intermediaries. The main anomalies detected concerned</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>irregularities in unilateral changes to the contracts, content of transparency documents, application of detrimental conditions in respect of those advertised or included in the contract, loans early repayment and complaints handling. Pursuant to article 128-ter of the Consolidated Banking Law, the Bank of Italy concluded, in 2014, four proceedings aimed at redress clients. The total amount of money returned to the clients was approximately 100 million of euros. A public announcement has been addressed to the customers to inform them about their rights in case of unilateral changes to the contracts operated by intermediaries. A new cooperation agreement has been established between the Bank of Italy and the AGCM (Antitrust) with the scope to improve consumer protection through a better coordination, a more efficient exchange of information and to avoid possible overlaps. Collaboration has been established with IVASS (the insurance Authority) on the specific cross-sectoral issue of combined insurance-loan sale. Financial education</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Currently, in Italy, there is no national strategy. A mapping exercise is underway to identify financial education programs implemented in Italy. The questionnaire is consistent with the first part of the INFE “Template for a database on evaluated financial education programs” and was the result of an extensive consultation with key government, non-government and industry/private sector stakeholders. The results will be the common basis for developing, in cooperation with all relevant stakeholders, a financial education national strategy containing commitments and measures aimed at raising the level of knowledge and financial expertise of Italian citizens. See also CONSOB Communication No. 0097996 of 22 December 2014. MiFIR/MiFID2 have been adopted and published (as well as PRIIPs Regulation). Financial consumer protection is also one of the main objectives of the recent proposal by the EU Commission to establish a Capital Markets Union (CMU) for all 28 EU Member States. See also response by the EU Commission.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Web-links to relevant documents:</p> <p>https://www.bancaditalia.it/pubblicazioni/relazione-gestione/2015/rel_gest_BI_14.pdf http://www.bancaditalia.it/compiti/vigilanza/accordi/protocollo-BI-AGCM-tut-cons-mbf.pdf https://www.bancaditalia.it/media/approfondimenti/documenti/Jus_variandi.pdf http://www.bancaditalia.it/media/notizie/2015/Rossi_IVASS-BI_5giugno2015.pdf https://www.bancaditalia.it/servizi-cittadino/index.html https://www.bancaditalia.it/media/comunicati/documenti/2015-01/cs-educ-finanziaria-28052015.pdf http://www.ivass.it/ivass/impresе_jsp/PagereRegolamentiList.jsp http://www.consob.it/mainen/documenti/english/laws/fr_decree58_1998.htm http://www.consob.it/mainen/documenti/english/laws/reg16190e.htm As regards the adoption of Markets in Financial Instruments Directive (commonly called MiFID II) and Regulation on Packaged Retail and Insurance Based Investment Products (PRIIPs) and subsequent implementing measures, see EU Commission response Consob Communication no. of December 22, 2014 http://www.consob.it/mainen/documenti/english/en_newsletter/2015/year_21_n-26_6_july_2015.html#news5 MiFID2: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0065&from=EN MiFIR: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0600&from=EN See also response by</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				the EU Commission.	

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: