



**EUROPEAN CENTRAL BANK**  
BANKING SUPERVISION

**Danièle NOUY**

Chair of the Supervisory Board

*COURTESY TRANSLATION*

Mr Mario Borghezio  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt am Main, 03 July 2015

**Re: Your letter (QZ99)**

Honourable Member of the European Parliament, dear Mr Borghezio,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 04 June 2015.

In your letter, you raise the question how the ECB can respond to allegations of terrorist financing through a Swiss branch of HSBC. There are however two reasons why the ECB is not competent on this matter.

First, in the framework set by Article 4(1) of the SSM regulation<sup>1</sup>, the European Central Bank (ECB) is the competent authority for two subsidiaries of HSBC group, namely HSBC France and HSBC Bank Malta plc. These two entities have no Swiss subsidiaries or Swiss branches.

Second, the ECB has not been entrusted with the supervisory task of the prevention of the use of the financial system for the purpose of Money Laundering and Terrorist Financing, which has remained with the national authorities (see Recital 28 of the SSM Regulation). Hence, while the ECB is in principle competent for withdrawing the authorisation of institutions under SSM supervision, in the case of Money Laundering and Terrorist Financing it could act only after a violation is ascertained by the relevant competent authority.

Yours sincerely,

[signed]

Danièle Nouy

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<sup>1</sup> Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions