

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

OFFICE OF THE COMPTROLLER OF THE CURRENCY

FEDERAL DEPOSIT INSURANCE CORPORATION

BANCA D'ITALIA

Statement of Cooperation

1. In view of the fact that a number of banks and banking organizations¹ chartered in the United States and Italy have operations in each of the respective jurisdictions, the Board of Governors of the Federal Reserve System (the "Board"), the Office of the Comptroller of the Currency (the "OCC"), the Federal Deposit Insurance Corporation (the "FDIC"), and Banca d'Italia ("BI"), jointly the "Authorities" and each of them individually, an "Authority," have reached an understanding in order to establish an arrangement for the sharing of supervisory information to facilitate the performance of their respective duties and to promote the safe and sound functioning of banks and banking organizations in their respective jurisdictions, as well as to ensure the stability and integrity of the financial system, to the extent permitted by their applicable laws and regulations. This understanding also demonstrates the commitment of the Board, the OCC, the FDIC, and BI to the international principles of comprehensive consolidated supervision, as well as reciprocity and cooperation among banking regulators.

2. The Board, the OCC, the FDIC, and BI express, through this Statement of Cooperation ("Statement"), their willingness to cooperate and share information with each other on the basis of mutual trust and understanding in the supervision of cross-

1. The terms "bank" and "banks" include savings associations. "Banking organization" refers to a bank holding company or financial holding company and its bank and non-bank subsidiaries. It also refers to savings and loan holding companies and their savings association and other subsidiaries. The term "cross-border establishment" means a branch, subsidiary, affiliate, or other office or entity of a bank or banking organization operating within one jurisdiction over which an Authority in the other jurisdiction is the sole or consolidated supervisor of the bank or banking organization.

border establishments operating in the United States and Italy insofar as they are subject to the supervision of the Board, the OCC, the FDIC, or BI.²

3. The Board has regulatory and supervisory responsibilities over bank holding companies (including financial holding companies), savings and loan holding companies, and state banks that are members of the Federal Reserve System. The Board also has specific regulatory and supervisory responsibilities with respect to certain entities engaged in international business (e.g., Edge Act and agreement corporations), as well as the foreign activities of member banks, and the U.S. activities of foreign banking organizations that have a U.S. banking presence. The Federal Reserve System is composed of a central governmental agency, the Board, and 12 regional Federal Reserve Banks. The Federal Reserve Banks perform their supervisory functions under authority delegated by the Board. The terms of this Statement apply both to the Board and the Federal Reserve Banks acting in their supervisory capacity.

The OCC charters, regulates, and supervises all national banks and federally chartered savings associations. It also licenses and is the primary supervisor of federally licensed branches and agencies of foreign banks. The OCC has the authority to approve or deny applications from these entities, examine them, and take supervisory actions with respect to them. The OCC may also take enforcement actions against these entities when they do not comply with laws and regulations or otherwise engage in unsafe or unsound banking practices. The OCC also has the authority to issue legal opinions interpreting, and rules and regulations implementing, laws governing all phases of the operations of national banks, federally chartered savings associations, and federal branches and agencies, including investments, lending, and other practices.

2. To the extent appropriate and consistent with their mandates, the Authorities may also cooperate and share information regarding U.S. and Italian banks and banking organizations that provide services or activities in the other jurisdiction without having a physical presence or establishment.

The FDIC is the primary federal banking supervisor for state chartered banks that are not members of the Federal Reserve System, state chartered savings associations, and insured state licensed branches of foreign banks. The FDIC may also take enforcement actions against these entities when they do not comply with laws and regulations or otherwise engage in unsafe or unsound banking practices. The FDIC also is the deposit insurer for all insured U.S. banks and savings associations (and for a limited number of branches of foreign banks). In addition, the FDIC has the authority to conduct special (backup) examination activities for institutions for which it is not the primary federal regulator and, as such, participates in examinations of certain insured depository institutions (“IDIs”) that present heightened risk to the Deposit Insurance Fund (“DIF”), of designated large and complex IDIs, and of systemic nonbank financial companies and bank holding companies, and may bring backup enforcement actions against depository institution holding companies if their conduct or threatened conduct poses a foreseeable and material risk of loss to the DIF. The FDIC has resolution authority and acts as conservator or receiver for all insured U.S. banks and savings associations (and the insured branches, if any, of foreign banks), and as receiver for certain financial companies.

4. BI supervises banks and non-banking intermediaries (including investment firms, asset management companies and collective investment undertakings with respect to risk containment, stability and sound and prudent management). Since November 2014, its supervisory tasks have been carried out within the framework of the Single Supervisory Mechanism (“SSM”), as provided in the SSM regulation. BI is also responsible for anti-money laundering/combating the financing of terrorism (“AML/CFT”) and customer protection tasks. BI also has a macro-prudential mandate and is the National Resolution Authority, exercising resolution-related functions within the framework of the Single Resolution Mechanism (“SRM”), as provided in the SRM regulation.

Sharing of Information

5. The Authorities recognize that close communications between home and host supervisors would be mutually advantageous. Cooperation would include, but not be limited to, contact during the authorization process of a cross-border establishment as well as in the supervision of the ongoing activities of cross-border establishments. Requests for information pursuant to this Statement should generally be in writing. Where the Authorities perceive a need for expedited action, requests for information may be initiated in any form but should be confirmed subsequently in writing.

6. In connection with the authorization processes that fall within their remit, the Authorities intend to:

- a. notify the appropriate home supervisor(s), without delay, of applications for approval to establish cross-border establishments in one jurisdiction by banks and banking organizations from the other jurisdiction and of the outcome thereof;
- b. upon request, inform the host supervisor(s) whether the applicant is in substantial compliance with applicable laws and regulations and whether it may be expected, given its administrative structure and internal controls, to manage the cross-border establishment in an orderly manner. The home supervisor should also, upon request, endeavor to assist the host supervisor(s) by verifying or supplementing information submitted by the applicant;³ and
- c. to the extent reasonable and permitted by laws and regulations, share information on the capability, integrity, or experience (i.e., fit and properness) of the prospective directors, board members, managers and relevant shareholders of the cross-border establishment.

3. It is expected that assistance in verifying or supplementing information provided by the applicant will be limited to information the home supervisor has in its possession at the time of the request.

7. In connection with the ongoing supervision of cross-border establishments, the Authorities endeavor to:

- a. notify the appropriate home supervisor(s) and provide relevant information regarding any material developments or supervisory concerns with respect to cross-border establishments;
- b. respond to requests for information on any aspect of their respective regulatory systems and inform each other about any major changes which have a significant bearing on the activities of cross-border establishments;
- c. inform each other, in a timely manner and to the extent reasonable, about any event which has the potential to endanger the stability and integrity of banks and banking organizations with operations in the United States and Italy; and
- d. inform the appropriate Authority(ies) in the other jurisdiction of administrative penalties imposed, or any other formal enforcement action taken, on a cross-border establishment as host supervisor, or on a bank or banking organization as home supervisor if the home supervisor judges the information as possibly important to the Authority(ies) in the other jurisdiction as it may relate to the operation of cross-border establishments in that jurisdiction.

Relevant matters for information exchange envisaged under a) and c) above may include but are not limited to:

- i. concerns about financial soundness (failure to meet capital adequacy or other financial requirements, significant losses, rapid decline in profits or a deterioration in profitability);

- ii. concerns related to compliance with laws and regulations or related to internal controls and procedures, and material weaknesses;

- iii. concerns arising from supervisory visits and on-site examinations with an institution or other regulatory body;

- iv. concerns arising from late or inaccurate prudential reporting; and

- v. opinion of the Authorities on the adequacy of business continuity plans, including the analysis of scenarios related to disruptions caused by cyber incidents.

8. Upon receipt of a request by an Authority(ies) for information of a type not specifically addressed in this Statement, the requested Authority(ies) would endeavor to provide to the requesting Authority(ies) the requested information where such information is needed for the requesting Authority's(ies') supervisory tasks.⁴ Such information may be provided on a host-to-home or home-to-host basis.

9. From time to time the Authorities may share information on a host-to-host basis regarding establishments headquartered in jurisdictions other than the United States and Italy when such establishments have related or interconnected operations in the United States and Italy. The Authorities would share such information subject to prior consultation with the relevant home supervisor(s).

10. Whenever appropriate, ad-hoc meetings would be arranged to resolve serious supervisory problems concerning a cross-border establishment.

4. This may include, for example, information contained in examination or other reports, including in appropriate cases making available relevant excerpts of the report itself.

Supervisory Cooperation

11. The Authorities recognize that cooperation is particularly useful in assisting each other in carrying out on-site inspections of cross-border establishments in the host jurisdiction. The home supervisor(s) should notify the host supervisor(s) of plans to inspect or verify any information concerning a cross-border establishment in the host jurisdiction, indicating the purpose of the visit, the aspects of the cross-border establishment they wish to explore, the expected starting and ending dates, and the names of the person(s) leading the inspection. Name(s) of person(s) participating in the inspection, including names of any external consultants, where applicable, should be shared at the earliest convenience. For routine inspections, Authorities should endeavor to provide such notification at least one month in advance. Inspections or examinations of cross-border establishments in the host jurisdiction would be undertaken after consultation with the licensing and supervising Authority(ies) of such cross-border establishments in that jurisdiction. The examinations or inspections may be carried out independently by the home supervisor(s), by the home supervisor(s) accompanied by the host supervisor(s) or by the home and host supervisor(s), as mutually agreed by the Authorities. The Authorities will endeavor to assist each other as far as practicable in conducting on-site inspections of cross-border establishments. The home supervisor(s) would inform the host supervisor(s) at the conclusion of an examination or inspection and provide, to the extent reasonable, information on the results of the review relevant to the supervisory responsibilities of the other Authority(ies).

12. The Authorities intend to cooperate closely when they identify suspected money laundering, terrorist financing, unauthorized banking business, and other criminal financial activities and will endeavor to share information related to such activities, including, as relevant, customer-related information, in accordance with the provisions of this Statement.

13. The Authorities will endeavor to share information related to banks or banking organizations in the United States and Italy that are under common ownership or control by one person or group of persons. To the extent such parallel-owned banking organizations are not subject to consolidated supervision, the Board, the OCC, or the FDIC, on the one hand, and BI, on the other, will endeavor to consult on aspects of the U.S. and Italy operations that may have an impact on the operations in the other jurisdiction.

General Provisions

14. Information would be shared to the extent reasonable and subject to any relevant statutory provisions, including those restricting disclosure. Such information would not normally include personal data unless it is of particular relevance to the supervisory concern prompting the request, as may be the case in relation to AML/CTF.⁵ In addition, the provision of, or request for, information under this Statement may be denied on grounds of public interest or national security or when disclosure would interfere with an ongoing investigation. When allowed and appropriate, the Authorities will endeavor to explain the reasons for denial.

15. Any confidential information received from another Authority will be used only for lawful supervisory purposes. To the extent permitted by law, each Authority will hold confidential all information (other than publicly available information) received from another Authority pursuant to this Statement and will not disclose such information other than as necessary to carry out its lawful supervisory responsibilities and consistent with paragraphs 17, 18, 19, and 20.

5. The Authorities understand that any exchange of information which involves transfer of personal data between the Authorities will be assessed on a case-by-case basis in compliance with respective applicable data protection regulations.

16. Except as provided in paragraphs 17, 18, and 19, before an Authority discloses any confidential information received from another Authority to a third party, the Authority will request and obtain prior written consent from the originating Authority which shall not be unreasonably withheld. Where possible, the request for such consent should indicate the purposes for which such information would be shared and the anticipated uses that the third party would make of the information. Each Authority will endeavor to respond to a request to disclose information within a reasonable timeframe.

17. In the event that an Authority is required by law or legal process to disclose confidential information provided pursuant to this Statement, it will, to the extent permitted by law,⁶ inform the Authority that provided the information about such possible onward sharing. If the informed Authority does not consent to such disclosure and if possible and appropriate, the Authority that is required to disclose the received information will take reasonable steps to resist disclosure, including by employing legal means to challenge the order or by advising the requesting party of the possible negative consequences that such disclosure might have on the future exchange of confidential information between the Authorities.

18. Each of the Board, the OCC, and the FDIC (each, a “U.S. banking agency”) consents to BI disclosing confidential information provided by a U.S. banking agency, to any of the BI onward sharing authorities listed in Annex 1 where: (i) BI has a lawful supervisory purpose for such disclosure; (ii) the receiving authority’s purpose for receiving the information relates to that authority’s supervision of the bank, banking organization, or cross-border establishment to which the information pertains; and (iii) BI obtains assurances that the information will not be further disclosed by the authority except as authorized by BI after BI has received the appropriate U.S. banking agency’s prior

6. For example, a subpoena or court order requesting information may bar the Board, the OCC, or the FDIC from disclosing the existence of such subpoena or order.

consent, or pursuant to the procedures in paragraph 17 where the authority receives a legally enforceable demand for the information. BI will provide ex-post monthly notice to the appropriate U.S. banking agency regarding any disclosures made pursuant to this subparagraph.

19. BI consents to a U.S. banking agency disclosing information provided by BI to another U.S. banking agency or any of the U.S. onward sharing authorities listed in Annex 1 where: (i) the disclosing U.S. banking agency has a lawful supervisory purpose for such disclosure; (ii) the receiving authority's purpose for receiving the information relates to that authority's supervision of the bank, banking organization, or cross-border establishment to which the information pertains; and (iii) the U.S. banking agency obtains assurances that the information will not be further disclosed by the authority except as authorized by the U.S. banking agency after it has received BI's prior consent, or pursuant to the procedures in paragraph 17 where the authority receives a legally enforceable demand for the information. In cases of U.S. onward sharing to state banking supervisory authorities ("State Authorities") listed in Annex 1, the disclosure is also conditioned on the State Authority having received a positive equivalency determination by the European Banking Authority or by BI with respect to its confidentiality and professional secrecy regime.⁷ The U.S. banking agency will provide ex-post monthly notice to BI regarding any disclosures made pursuant to this subparagraph.

20. No privileges or confidentiality associated with information provided by any Authority are intended to be waived as a result of sharing such information pursuant to this Statement.

7. Annex 1 lists both the State Authorities that have already received a positive equivalency determination at the date of the Statement and those that may receive such a determination at a future date. BI will provide updates to the U.S. Authorities as additional State Authorities listed in Annex 1 receive positive equivalency determinations, following which they will become eligible onward sharing recipients pursuant to this paragraph.

21. The Authorities would conduct meetings as often as appropriate to discuss issues concerning banks and banking organizations that maintain cross-border establishments in the respective other jurisdiction. In addition, every effort will be made to encourage continuous and informal contacts between the staff of BI and the staffs of the Board, the OCC, and the FDIC.

22. The Authorities may promote their cooperation through visits for informational purposes and by exchange of staff for practical internships. In addition, the Authorities may pursue areas where the training of staff at one Authority would benefit from input and support by another Authority in order to reinforce sound banking supervisory practices in both jurisdictions.

23. Nothing in this Statement affects the competence or supervisory authority of the Authorities under their respective laws.

24. This Statement does not constitute a legally binding and/or legally enforceable agreement. In particular, it does not: (a) create any rights or obligations for the Authorities or third parties; or (b) modify or supersede any laws or regulations.

25. This Statement will enter into operation as of the date written below and continue indefinitely subject to modification by the mutual consent of the parties or termination by any Authority with thirty (30) days advance notice to the other Authorities. After termination, the confidentiality provisions shall continue to apply to any information provided under this Statement prior to termination.

26. This Statement is written in the English language and may be electronically signed. Any electronic signatures appearing on this Statement are as valid as handwritten signatures. The Authorities may exchange copies of the Statement in written or electronic format.

27. This Statement, and any part of this Statement, may be published subject to the agreement of all the Authorities and may also be disclosed where there is a legally enforceable demand.

28. The Authorities look forward to continued cooperation and discussions on these and other supervisory matters.

Confirmed:

For the Board of Governors of the Federal Reserve System **Banca d'Italia**

Michael S. Gibson
Director, Division of Supervision and
Regulation

Paolo Angelini
Deputy Governor

Date: June 22, 2021

24.6.2021

**For the Office of the Comptroller
of the Currency**

Greg J. Coleman
Senior Deputy Comptroller for Large Bank
Supervision

**For the Federal Deposit Insurance
Corporation**

Doreen R. Eberley
Director, Division of Risk Management
Supervision

Annex 1

Onward sharing authorities

For the purposes of paragraphs 18 and 19 of the Statement, U.S. and BI Onward Sharing Authorities are as follows:

(a) U.S. Onward Sharing Authorities:

- the Securities and Exchange Commission (SEC);
- the Commodity Futures Trading Commission (CFTC);
- the Financial Crimes Enforcement Network (FinCEN);
- the following State Authorities that have received a positive equivalency determination as of the date of the Statement:
 - i. Illinois Department of Financial & Professional Regulation;
 - ii. New York State Department of Financial Services, Division of Banking;
- the following State Authorities if they receive a positive equivalency determination at a future date:
 - i. Alabama State Banking Department
 - ii. Alaska Division of Banking and Securities
 - iii. American Samoa Government Office of Financial Institutions, Department of Treasury
 - iv. Arizona Department of Financial Institutions
 - v. California Department of Financial Protection & Innovation, Division of Financial Institutions
 - vi. Colorado Division of Banking
 - vii. Connecticut Department of Banking
 - viii. Delaware Office of the State Bank Commissioner
 - ix. District of Columbia Department of Insurance, Securities and Banking
 - x. Florida Office of Financial Regulation
 - xi. Georgia Department of Banking and Finance
 - xii. Guam Department of Revenue and Taxation
 - xiii. Hawaii Department of Commerce and Consumer Affairs, Division of Financial Institutions
 - xiv. Idaho Department of Finance
 - xv. Indiana Department of Financial Institutions
 - xvi. Iowa Division of Banking
 - xvii. Kansas Office of the State Bank Commissioner
 - xviii. Kentucky Department of Financial Institutions
 - xix. Louisiana Office of Financial Institutions
 - xx. Maine Bureau of Financial Institutions
 - xxi. Maryland Office of the Commissioner of Financial Regulation
 - xxii. Massachusetts Division of Banks
 - xxiii. Michigan Department of Insurance and Financial Services
 - xxiv. Minnesota Department of Commerce
 - xxv. Mississippi Department of Banking and Consumer Finance
 - xxvi. Missouri Division of Finance
 - xxvii. Montana Division of Banking and Financial Institutions
 - xxviii. Nebraska Department of Banking and Finance

- xxix. Nevada Department of Business & Industry, Financial Institutions Division,
- xxx. New Hampshire Banking Department
- xxxi. New Jersey Department of Banking and Insurance
- xxxii. New Mexico Financial Institutions Division
- xxxiii. North Carolina Office of Commissioner of Banks
- xxxiv. North Dakota Department of Financial Institutions
- xxxv. Northern Mariana Islands Department of Commerce
- xxxvi. Ohio Division of Financial Institutions
- xxxvii. Oklahoma State Banking Department
- xxxviii. Oregon Division of Financial Regulation
- xxxix. Pennsylvania Department of Banking and Securities
 - xl. Puerto Rico Office of the Commissioner of Financial Institutions
 - xli. Rhode Island Department of Business Regulation, Division of Banking
 - xl.ii. South Carolina Board of Financial Institutions, Office of the Commissioner of Banking
 - xl.iii. South Dakota Division of Banking
 - xl.ii. Tennessee Department of Financial Institutions
 - xl.ii. Texas Department of Banking
 - xl.ii. Utah Department of Financial Institutions
 - xl.ii. Vermont Department of Financial Regulation
 - xl.ii. Virgin Islands Division of Banking, Insurance & Financial Regulation
 - xl.ii. Virginia Bureau of Financial Institutions
 - l. Washington Department of Financial Institutions
 - li. West Virginia Division of Financial Institutions
 - lii. Wisconsin Department of Financial Institutions
 - liii. Wyoming Division of Banking

(b) BI Onward Sharing Authorities:

- the Italian Companies and Exchange Commission (“CONSOB”);
- the European Central Bank (for its prudential supervisory tasks);
- the following EU National Supervisory Authorities:
 - i. Finanzmarktaufsicht (the Austrian Financial Market Authority)
 - ii. Nationale Bank van België/Banque Nationale de Belgique (the Belgium National Bank)
 - iii. Българска народна банка (the Bulgarian National Bank)
 - iv. Hrvatska Narodna Banka (the Croatian National Bank)
 - v. Κεντρική Τράπεζα της Κύπρου (the Central Bank of Cyprus)
 - vi. Ceska Narodni Banka (the Czech National Bank)
 - vii. Finanstilsynet (the Danish Financial Supervisory Authority)
 - viii. Finantsinspektsioon (the Estonian Financial Supervision Authority)
 - ix. Finanssivalvonta (the Finnish Financial Supervisory Authority)
 - x. Autorité de Contrôle Prudentiel et de Résolution (the French Prudential Supervisory & Resolution Authority)
 - xi. Bundesanstalt für Finanzdienstleistungsaufsicht (the German Federal Financial Supervisory Authority)

- xii. Τράπεζα της Ελλάδος (the Bank of Greece)
- xiii. Magyar Nemzeti Bank (the National Bank of Hungary)
- xiv. Central Bank of Ireland
- xv. Finansu un Kapitāla Tirgus Komisija (the Latvian Financial and Capital Market Commission)
- xvi. Lietuvos Bankas (the Bank of Lithuania)
- xvii. Commission de Surveillance du Secteur Financier (the Commission for the Supervision of Financial Sector)
- xviii. Malta Financial Services Authority
- xix. De Nederlandsche Bank (the National Bank of Netherlands)
- xx. Komisja Nadzoru Finansowego (the Polish Financial Supervision Authority)
- xxi. Banco de Portugal (the Bank of Portugal)
- xxii. Banca Națională a României (the National Bank of Romania)
- xxiii. Narodna Banka Slovenska (the National Bank of Slovakia)
- xxiv. Banka Slovenije (the Bank of Slovenia)
- xxv. Banco de España (the Bank of Spain)
- xxvi. Finansinspektionen (the Swedish Financial Supervisory Authority)