



Lisbon, 11th January 2019

Mr. Mario Draghi
President of the European Central Bank

Your Excellency,

Following some recommendations adopted by the Portuguese Parliament, the Portuguese Government, in due execution of its programme, announced in 2016 the intention to promote a pondering about the national financial sector supervisory model and its effectiveness.

To initiate the process, in 2016, I have invited a large group of experts to present their opinions about the Portuguese financial supervisory architecture. Following these advices, in January 2017, I have appointed an independent Working Group to draft a report with an assessment of the current system of financial supervision and to present a proposal for the corresponding changes. The Working Group prepared and submitted the report, of its exclusive responsibility given its independent mandate, considering both the national experience and the financial supervisory models implemented in other Member-States. The Working Group's report was subject to public consultation for one month. Simultaneously two open seminars took place in order to discuss the report with the academic community and the public.

Starting from the Working Group's proposals, the Ministry of Finance has been responsible for preparing draft legislation on the Portuguese system of financial supervision, in close collaboration with the national central bank (Banco de Portugal) and the other supervisory agencies (Comissão do Mercado de Valores Mobiliários and Autoridade de Supervisão de Seguros e Fundos de Pensões).

In the past few months, the Ministry of Finance worked closely with the Banco de Portugal and the supervisory authorities in the draft legislation (enclosed to this letter) that establishes a framework for the Portuguese financial supervision system.

I believe this draft proposal achieves a balanced solution that will improve the functioning of the financial supervision system, promoting the cooperation between the Portuguese authorities and fostering the financial stability. I also believe this draft legislation, including the amendments to the statutes of the Banco de Portugal, is compatible with the Treaty on the Functioning of the European Union, the Eurosystem/European System of Central Banks statutes and the European Central Bank policies and legal framework.



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The Portuguese Government expresses its commitment to the principles of openness and transparency, and highlights the importance of a close cooperation with the European Central Bank in this legislative process.

Thus, I am requesting the European Central Bank advice on the draft legislation enclosed to this letter, under the Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions.

Considering the Portuguese legislative procedure, and the political calendar in 2019, the Portuguese Government would appreciate to receive the European Central Bank advice within one month.

I will be very honoured with the European Central Bank's opinion, making sure that your advice will be taken in due consideration in the preparation and adoption of the proposal and will enhance the quality of the referred legislation.

Yours sincerely,

Mário Centeno

Minister of Finance