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National Bank of Moldova and European Central Bank have concluded a memorandum of understanding in the field of banking supervision

The Memorandum of Understanding between the National Bank of Moldova (NBM) and the European Central Bank (ECB) [1] entered into force on 22 September 2020 and is intended to ensure the cooperation and the efficient exchange of information in the field of banking supervision.

Such a cooperation is essential in order to promote the integrity, stability and efficiency of the entities supervised by both, the NBM and the ECB.

The signing of the Memorandum of Understanding with the ECB represents a significant achievement aimed at strengthening the banking supervision capacity of the NBM, as well as a conclusive confirmation of the implementation of common objectives set by our country and the European Union within the Association Agreement between the Republic of Moldova and the European Union. Thus, the NBM continues the process of reforming the banking sector in our country, consistently applying the best European and international practices.

The conclusion of this memorandum became possible after in 2018 the European Banking Authority assessed positively the confidentiality regime applied by the Republic of Moldova in the banking supervision field[ ], which facilitates the exchange of information between the NBM and the banking supervisory authorities from the European Union.

The ECB is an institution of the European Union and its primary objective is to maintain price stability. Since November 2014, the ECB is also responsible for the direct supervision of significant credit institutions from the euro area (consisting of the member states of the European Union whose currency is the euro). Thus, the ECB supervises the activity of euro area credit institutions that have subsidiaries or branches in other countries (including the Republic of Moldova), or whose parent entities are domiciled in other countries. The cooperation in this respect between the ECB and the banking supervisory authorities of those countries corresponds to the common goals of efficient and sound supervision.

Tags

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