

Dear All,

First let us thank you for the possibility to take part in the recent public hearing which is very useful to address open questions to the proposed guideline.

Please find below our the comments on behalf of Erste Bank and Bank Austria.

**Principle 2:**

Paragraph 15: .. a policy establishing at least two consecutive weeks' leave ...

Suggestion would be to amend this passage to allow for discretion according to country law which may not permit such a policy.

**Principle 9:**

**Each cash flow associated with a transaction should be clearly recorded in the institution's accounting system, with a documented audit trail.**

→ Paragraph 37:

"Extended audit trails to identify the transaction from the point of origin by each trader is necessary for the institution's systematic ex-post control and reconciliation, both by internal controllers and external auditors, of the operations carried out."

Suggestion would be to combine paragraph 37 with paragraph 30 and not to control each stage of cash flow on real-time basis.

**Principle 11: Confirmation, settlement and reconciliation processes should be correctly designed and properly executed.**

In paragraph 45: "Nostro balance **projections...real-time basis...**"

In paragraph 46: "...establish a **real-time communication mechanism** with their nostro institutions..."

In paragraphs 45, 46 demand to follow up nostro balance on "real time basis" should be changed to daily basis because it is almost impossible to establish real-time follow up and more over there is no significant benefit.

In paragraph 47: " ...on a daily basis, all the transactions should be reconciled with the general ledger.

Suggestion would be to remove the frequency of daily reconciliation of all transaction with the general ledger as this can be done via an audit trail which may take up to one week to compile for a single transaction.

Best regards

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