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EBA CP 51

Dear Sir or Madam,

We appreciate the opportunity to provide input to the referenced consultation paper on draft Implementing Technical Standards (ITS) on supervisory reporting requirements for large exposures (CP51).

The Association of Foreign Banks in Germany represents the interests of currently more than 200 foreign banks, investment management companies, financial services institutions and representative offices in Germany.

In general, the Association supports endeavours to harmonize financial sector regulations in the European Union. We therefore acknowledge the proposals for uniform reporting requirements as part of the single rulebook enhancing regulatory harmonisation in Europe. This can lead to a further convergence of supervisory practices and can provide fair conditions of competition in the single market, aiming at a level-playing field for cross-border banks and financial institutions.

We hope that our comments and recommendations will be useful for you. In case of further queries, we will gladly answer any questions that you may have.

Kind regards

Dr Oliver Wagner

Andreas Kastl

Association of Foreign Banks in Germany · Verband der Auslandsbanken in Deutschland e.V.

Representation of interests of foreign banks, investment management companies, financial services institutions and representative offices
Interessenvertretung ausländischer Banken, Kapitalanlagegesellschaften, Finanzdienstleistungsinstitute und Repräsentanzen

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1) General Remarks

Regarding the implementation of the new reporting requirements for large exposures brought forward in this ITS respectively this part of the ITS, we would like to point to the fact that the CRD IV and CRR I are still discussed in Council and Parliament and serious implementation of changes can only start after their publication.

In addition to this, it should be acknowledged that in some member states the omission of the respective national supervisory reporting regime of large exposures will have significant impact on their regulatory environment. Like in the German case, there will be a segregation of the reporting of large exposures on the one hand and the reporting of loans of EUR 1.5 million or more ("Millionenkredite") on the other hand, what can also entail special implementation measures for reporting institutions.

2) Questions & Answers

Q3. Would the required implementation period be the same for reporting requirements on an individual basis and on a consolidated basis?

In general, the proposed remittance period of 30 business days for both reporting on an individual and a consolidated level can be seen as appropriate. The data on individual level should be available before the data on group level, i. e. before consolidation.

As we have already pointed out in our last position paper dated 20 March 2012 commenting on the consultation paper CP50 concerning supervisory reporting requirements for institutions dated 20 December 2011, the remittance of individual reports could be therefore conducted in beforehand. This may lead to a more streamlined reporting process.

Q5. Are the templates, related instructions and validation rules included in Annex VIII and Annex IX sufficiently clear? Please provide concrete examples where the implementation instructions are not clear to you.

As explained in Annex IX, counterparty characteristics in both templates LE 1 and LE 2 are classified, inter alia, through the NACE codes. Concerning the indicated website, we would like to point out that this site will not be updated any longer. Therefore, we suggest that the ITS should refer to an actual list of NACE codes, e.g. provided by Eurostat.

In addition to this, we suggest a direct hint in template LE 2 that the information to be submitted through the columns 040 to 060 concerning counterparty characteristics should only refer to the individual counterparty and not the corresponding group.