

ANGECO comments to European Banking Authority (EBA) to the consultation paper on Draft Guidelines on the assessment of adequate knowledge and experience of the management or administrative organ of credit servicers, as a whole, under Directive (EU) 2021/2167

1) About ANGEKO

ANGECO is the National Association of Debt Recovery Companies, which brings together companies whose corporate purpose is to provide debt recovery services, both settlements out of court and judicially. ANGEKO has 9 working committees, 85 members and in 2022 - data from the last official report of the Association - its members will have processed 115 million files, recovered 10,116 million euros and managed 426,000 million euros of debt, in a context of a global turnover of the member companies of 1,430 million euros. The Market Study on the Recovery and Default Sector can be found on the Association's website.

ANGECO currently comprises the majority of Spanish companies operating in the debt management and recovery sector and its members represent approximately 80% of the sector's turnover in Spain.

In addition to the entities that are currently members of ANGEKO, currently comprised of the main national companies dedicated to the provision of debt management services, both settlements out of court and judicially, the national subsidiaries of the major European multinationals in the field of debt buyers and administrators, and the most experienced law firms in the field, ANGEKO aims to represent all entities in the debt management sector.

ANGECO acts as a benchmark for debt collection companies by establishing standards of conduct aimed at protecting their interests, based on fundamental respect for ethical principles and behavior, as set out in its Code of Conduct, to which all its members adhere.

ANGECO's mission is based on several strategic axes, including the following:

- i. Regulation of the sector: it lobbies the public authorities for the adoption of legislation deemed appropriate to regulate the sector's activities.
 - ii. Institutional representation: it represents its members in international organizations of the sector and establishes relations with other business associations of interest.
 - iii. Professional development: it acts as a transmitter and provider of knowledge in the sector.
- In this context, ANGEKO is a member of the Federation of European National Collection Associations, the Spanish Confederation of Business Organizations and the Spanish Confederation of Small and Medium Enterprises, and actively participates in national and international debt collection seminars and congresses, representing the sector of debt collection companies in Spain.

For more information about ANGEKO, please visit their website: <https://www.angeco.com/ques-angeco/>

2) ANGEKO's general considerations to Draft Guidelines on the assessment of adequate knowledge and experience of the management or administrative organ of credit servicers, as a whole, under Directive (EU) 2021/2167

Above all, ANGEKO would like to thank you for the efforts being made to provide certainty, through these Draft Guidelines on the assessment of adequate knowledge and experience of the management or administrative organ of credit servicers, as a whole, under Directive (EU)

2021/2167 (hereinafter, the “**Draft Guidelines**”), about the criteria to assess the suitability of the credit servicer’s management or administrative organ members, as a requirement to obtain the pertinent authorization as set out in article 5 of Directive (EU) 2021/2167.

In general terms, ANGECO agrees with the criteria set out in the Draft Guidelines with regard to proof knowledge and experience of members of the credit servicer’s management or administrative organ, as well as with the requirements to assess such suitability on an individual and on a collective basis. Our comments are focused on the concept and the application of the proportionality principle. We really welcome the inclusion of this principle in the Draft Guidelines, particularly taking into account the great heterogeneity that characterizes the credit servicing sector, unlike other more regulated sectors such as the credit institutions’ sector.

In this regard, it is relevant to clarify that the market of credit servicers in Spain is quite diverse, not only from the perspective of the criteria, set out in Guideline 13 of the Draft Guidelines, for the purpose of applying the proportionality principle, but also from the perspective of the composition of the management or administrative organ of credit services.

In this regard, article 210.1 of Capital Companies Law establishes the possibility that a company is managed by a single administrator, an undefined number of administrators acting under the solidarity principle or by a management or administrative organ (unless in the case of listed companies, that shall necessarily be managed by a management or administrative organ). In the case that the company is managed by a management or administrative organ, it shall be composed by a minimum of 3 members and a maximum of 12 members (article 242 of the Capital Companies Law). It is not uncommon that Spanish credit servicers, particularly those of small size and complexity, are managed by a single administrator or by a management organ composed by very few members.

In this context, it is barely impossible that a single administrator or a management organ with a very reduced number of members of a credit servicer complies with all the requirements set out in the Draft Guidelines to proof its relevant knowledge and experience. Additionally, in the case of a single administrator, the individual and the collective assessment of the management or administrative body adequate knowledge and experience would be identical and redundant.

In this regard, ANGECO considers that it would be advisable to capture this reality in the Draft Guidelines by including a new criterion in Guideline 13 of the Draft Guidelines. Specifically, this criterion for applying the proportionality principle would be the size and composition of the credit servicer management or administrative body. Additionally, the Draft Guidelines should specify that in the case of credit servicers with a single administrator the Guidelines would not be applicable or, if applicable, the Draft Guidelines should clarify how the experience and knowledge shall be assessed in a proportional basis in such case.

ANGECO thanks the opportunity to submit these comments and remains fully available to the European Banking Authority to clarify any of the contents of this document.

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