

# Comments

## **on EBA's Consultation Paper „Draft regulatory technical standards on the margin periods for risk used for the treatment of clearing members' exposures to clients under Article 304 (5) of Regulation (EU) No 575/2013“ (EBA/CP/2014/01)**

Contact:

Dr. Olaf Achtelik

Telephone: +49 30 2021-2323

Email: [o.achelik@bvr.de](mailto:o.achelik@bvr.de)

Berlin, 7. May 2014

The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public-sector banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks. Collectively, they represent more than 2,000 banks.

Coordinator:

National Association of German  
Cooperative Banks

Schellingstraße 4 | 10785 Berlin | Germany

Telephone: +49 30 2021-0

Telefax: +49 30 2021-1900

[www.die-deutsche-kreditwirtschaft.de](http://www.die-deutsche-kreditwirtschaft.de)

**Comments EBA/CP/2014/01**

Dear Sir or Madam,

We appreciate the opportunity to comment on the Consultation Paper EBA/CP/2014/01.

We basically agree with the assumptions you have made in the draft regulatory technical standards (RTS). However, we would like to you to consider the following point in your deliberations:

The application of Art. 1 2. (b) means that the applicable liquidation period is determined by the transaction which shows the longest liquidation period in its respective netting set. In extreme cases a portfolio with a counterparty which consisted almost exclusively of a high number of transactions with a short liquidation period would thus be "tainted" by a single transaction with a longer transaction period. We therefore do not consider the exclusive use of a single "worst case" benchmark suitable. In our opinion it would be more appropriate to give institutions the opportunity to set a nominally weighted average liquidation period in a given netting set (taking into account the stipulated five-day floor). This possibility would, in our opinion, reflect more accurately the risk present in a netting set.

In addition to that, based upon our understanding Art. 1 para. 2 and 3 prescribe a different treatment for two - not mutually exclusive - case groups. In our view, it is not clearly stated how to proceed with a netting set consisting of transactions cleared with a qualifying CCP as well as transactions cleared with a non-qualifying CCP. We propose therefore to clarify the treatment of such netting sets.

Yours truly,

On behalf of the German Banking Industry Committee  
National Association of German Cooperative Banks

by proxy



Gerhard Hofmann



Dr. Olaf Ahtelik