

Comments

Consultation Paper on Draft regulatory technical standards on general conditions of the functioning of colleges of supervisors in accordance with Article 51(4) and Article 116(4) of Directive 2013/36/EU (Capital Requirements Directive – CRD IV)

and

draft implementing technical standards on the operational functioning of colleges of supervisors in accordance with Article 51(5) and Article 116(5) of Directive 2013/36/EU (Capital Requirements Directive – CRD IV)

Contact:

Dr. Olaf Achtelik

Telephone: +49 30 2021-2323

Email: o.achelik@bvr.de

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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

Telephon: +49 30 2021-0

Telefax: +49 30 2021-1900

www.die-deutsche-kreditwirtschaft.de

**Comments on consultations with regard to functioning of colleges of supervisors
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The German Banking Industry Committee appreciates the opportunity to comment on the draft technical standards on general conditions and the operational functioning of colleges of supervisors. Please find our comments below.

Q1: Do you have any suggestions regarding the process to be followed by the members of the college for communicating with the parent entity of the group and with its subsidiaries?

In our view, the drafted proposals regarding organisation and communication processes as well as technical issues of the functioning of colleges of supervisors seem to be consistent with the hitherto existing supervisory environment. As the Single Supervisory Mechanism (SSM) will be established on 4 November 2014 however, we expect these aspects to be the separate subject of future documents on supervisory activities in the EU. Thus, we were surprised to find that the consultation paper picks up current developments such as directive 2014/59/EU but makes no mention of the imminent SSM or the installment of Joint Supervisory Teams (JSTs). Each supervised entity will be assigned to a JST consisting of representatives from all relevant national competent authorities (NCAs). The JSTs will be engaged with regulatory monitoring tasks in connection with the supervised entity. Hence, for entities situated exclusively within the euro area, the JST will substitute the colleges of supervisors. For cross-jurisdictional institutions or groups under the ECB's supervision with significant engagement expanding beyond the euro area, the ECB will represent the relevant NSA within the college of supervisors with regard to the euro area. For us, this is a fundamental change within the supervisory mechanism that has to be reflected within the RTS and ITS, e.g. in the opening remarks. Alternatively, the standards should include an explanation as to why the aspect is not covered.

Q2: Do you have any suggestions regarding elements of the college supervisory examination programme that need to be considered and agreed by the members of the college?

No comment.

Q3: Do you have suggestions regarding any other aspects of home-host cooperation that should be covered by these draft binding technical standards, bearing in mind the mandate of the Level 1 text, to ensure that colleges operate efficiently, effectively and consistently?

No comment.

Yours sincerely,

on behalf of the German Banking Industry Committee
National Association of German cooperative banks



Gerhard Hofmann



Dr. Olaf Achtelik