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EBA/CP/2014/28

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| EBA Draft Guidelines on the minimum list of qualitative and quantitative recovery plan indicators  |
| **Italian Credito Cooperativo Position Paper** |
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| **December 2014** |

**1. Executive Summary**

On behalf of the Italian Banche di Credito Cooperativo (BCCs) and the other banks of the national network they control, Federcasse welcomes the opportunity to participate to EBA consultation on “Draft Guidelines on the minimum list of qualitative and quantitative recovery plan indicators” (EBA/CP/2014/28).

We agree with the approach adopted. The GL recognizes that the risks faced by each institution vary significantly, as business and funding models, activities and structure, size or interconnectedness vary from one institution to another. Accordingly, the GL provides a minimum lists of categories and indicators to be included in recovery plans and leave to the responsibility of each institution and the assessment of the competent authority, the identification of points at which an escalation process should be activated.

Our response to the consultation does not go through specific questions but is limited to the following 4 remarks. We believe that taking them into account may improve the final GL.

* The GL does not entail a clear reference to the principle of proportionality, especially for those institutions for which simplified recovery plans may apply according to Art. 4 of the BRRD.
* According to Recital 14 of the BRRD, authorities should make sure “that the regime is applied in an appropriate and proportionate way”. Moreover, The outcome of that “appropriate and proportionate way” is clarified: for institutions with no systemic relevance, administrative burden related to the recovery plan obligations should be “minimised”. We believe the GL should have some references also to the simplified obligations regime.
* Consistently with the need to reflect the principle of proportionality even beyond the simplified obligations regime, we believe that the minimum list of indicators should be restricted to capital and liquidity, with all other categories being illustrative.
* The framework for recovery plans indicators should be useful, effective and more workable if those indicators are, as far as possible, closely aligned in principle with indicators used for DGS risk based contribution and supervisory purposes, under the assumption that risk evaluation systems of banks should be comparable, consistent with one another and implemented at a cost as lower as possible.