



## European Banking Industry Committee

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European Banking Federation (EBF) • European Savings Banks Group (ESBG) • European Association of Cooperative Banks (EACB)  
European Mortgage Federation (EMF) • European Federation of Building Societies (EFBS)  
European Federation of Finance House Associations (Eurofinas)/European Federation of Leasing Company Associations (Leaseurope)  
European Association of Public Banks (EAPB)

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### **Subject: National options in the CRD**

20 December 2007

Dear Ms Nouy,

The European Banking Industry Committee welcomes CEBS' and the European Commission's efforts to reduce the number of national options in the CRD. We agree that the high number of national discretions is not in line with the objective of a single market and leads furthermore to inconsistencies in reporting figures and in the disclosures made to the market under Pillar 3 of the Basel Accord.

In order to support the supervisory authorities in their attempt to find agreement on how to approach this work stream, we believe it is very important to provide you with a common and widely shared viewpoint across the industry. Indeed, the EBIC's member associations have identified a large number of provisions on which there is clear agreement on the most suitable solution from our point of view. We have strived to be as comprehensive as possible in our position and have therefore also included national CRD options that seem to have been omitted in CEBS' initial list.

At the same time, we would like to point out that the fact that EBIC is not commenting on the full catalogue of national options and discretions does not imply any prioritisation or ranking. In fact, the EBIC member organisations attribute high importance to many options and discretions that are not addressed in this response, even if, in the specific cases, preferences concerning the appropriate approaches differ.

As regards categorisation, we generally found CEBS' categories helpful to classify and clarify our recommendations. However, in a few instances the use of categories seemed to be rather misleading, in which case we have chosen not to make use of them but rather provide our recommendation in a descriptive statement. Furthermore, we have elaborated on the concept of mutual recognition, as there are several

possible approaches. E.g., mutual recognition can be based on the decision of one supervisor in the first place, for example regarding the recognition of collateral located in this supervisor's country. In other cases, on the other hand, it would be more appropriate to ensure from the outset a joint decision process between the concerned supervisors, such as when deciding whether to accept third country rules and institutions.

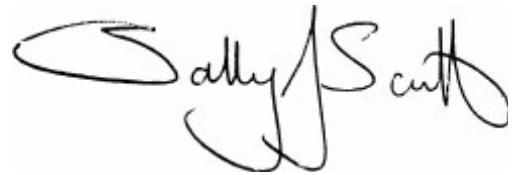
Furthermore, we note that many divergences in supervision result from the actual interpretation and way of application of the written rules in practice, rather than from the legislative text as such. CEBS should continue to monitor these divergences and strive for common approaches in day-to-day supervisory practice.

We hope that you find this contribution helpful and look forward to further work with CEBS and the European Commission on this issue.

Yours sincerely,



Dr. Christopher Pleister  
EBIC Chairman



Sally Scutt  
Chairman of the Banking Supervisory Practices  
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