



Wednesday the 21th of August 2013

**FRENCH BANKING FEDERATION RESPONSE TO THE EUROPEAN
BANKING AUTHORITY CONSULTATION PAPERS ON DRAFT ITS AND RTS ON
PASSPORT NOTIFICATIONS**

The French Banking Federation (hereinafter FBF) is the professional organisation that represents the interests of the banking sector in France. It comprises all of the credit institutions registered as banks and doing business in France, i.e. more than 390 commercial, cooperative and mutual banks. FBF member banks have 38,000 permanent branches, 370,000 employees in France and around the world, and service 48 million customers.

French banks appreciate the opportunity to share their views on the European Banking Authority Consultation Paper related to a Draft Regulatory Technical Standards (RTS) and a Draft Implementing Technical Standards Draft (ITS) on Passport Notifications under articles 35, 36 and 39 of the proposed Capital Requirements Directive.

Draft Regulatory Technical Standards

Q1 - To what extent will the information on core activities contribute to transparency and monitoring of activities in host Member State?

The FBF considers that the proposed information on core activities under the RTS will contribute to greater transparency of the firm and be useful for both competent authorities and credit institutions for statistical purposes, as it should allow to attach a branch to one or several business lines.

Where local banking or financial law is likely to evolve or change on specific topics, competent authorities of the host Member State should be able to address for information, discussion or consultation purposes directly to targeted credit institutions which core activities are concerned by the legal evolution or change.

The passport notifications worked well so far and do not require that the notifications should be more accurate. We think that it is not necessary to have a very detailed notification which could burden its formalism but the scope of this provision might be extended to existing branches of credit institutions.

Q2 - Do you think that the information in case of planned termination of the operation of a branch will contribute to the transparency of related process and contribute to the protection of customers?

Yes.

Draft Implementing Technical standards

Q1 - What are your views on the provisions covering the languages to which passport notifications are to be provided?

The FBF supports the idea that having several languages for the same notification may trigger a risk of interpretation in case of misunderstanding or inconsistency between different languages. Competent authorities should authorize the use of a common language for the notification, English for example.

Where a translation is necessary, credit institutions should pay particular attention to the agreement of translations, in particular in respect of banking activities that will be listed as carried out by the branch. For example activity n° 11 "Portfolio management" (as listed in Annex 1 of CRD 4) is set out into the French, Spanish and Italian versions of the annex as "gestion de patrimoine", "gestion de patrimonios", "gestione dei patrimoni" which do not have the same meaning, the latter being broader than "portfolio management".

Q2 - Do you think that passport notifications and other relevant communications shall be transmitted only via electronic means or shall the ITS allow for both options? Please explain you answer.

The FBF considers that electronic submission is faster and more efficient. However, the ITS should be more precise and explain the term "electronic means". What is meant by "electronic mean": notification via internet on the competent authority's website? Or transmissions of a scanned version of the notification file via e-mail?

Furthermore, we think that the electronic notification is not enough and a post transmission should be allowed for proof, security and responsibility purposes.

Q3 - To what extent the provisions requiring check of completeness by the competent authorities of the home Member State will affect the efficiency of the process covering passport notifications?

The check of completeness by the competent authorities of the home Member State would contribute to the process efficiency and determine the starting point of the period which the authority must decide.