

January 2010

Feedback on the CEBS's Consultation Paper on the Extension of its Supervisory Disclosure Framework

1. In September 2009 CEBS published a consultation paper (CP29) on its extension of the supervisory disclosure framework. The consultation period lasted for one month and ended on 16 October 2009. A public hearing was held on 5 October 2009. Two written responses were received during the public consultation period which are published on the CEBS's website. One written response was sent after the public consultation ended and this was also taken into consideration.
2. The following is a summary of the main comments received through the public consultation presented in a feedback table (Annex 1) which includes CEBS's responses.

Annex 1

Feedback table on CEBS's Consultation Paper (CP29) on the Extension of its Supervisory Disclosure Framework

	Topic, reference and comment received	CEBS's response	Proposed amendments to the text, if any
1	<p>National options and discretions</p> <p>The current CRD provides for certain credit risk exposures to central counterparties to be risk weighted with 0%. Annex III, Part 2 Nr. 6 includes a supervisory decision (“[...] or other exposures, as determined by the competent authorities, that the credit institution has outstanding with the central counterparty.”). One respondent highlighted the necessity to disclose the precise implementation of this requirement on the “List of National Discretions”.</p>	<p>CEBS recognizes that this provision might not be implemented in a uniform way throughout the EEA, i.e. there might be Member States where additional credit risk exposures are included in national legislation, therefore it is reasonable to disclose the implementation within the options and national discretions section.</p>	<p>CEBS will include this disclosure within the options and national discretions section. Competent authorities that have exercised this supervisory decision (“A” for Applied at CEBS level) are expected to disclose on their national homepages <u>which other exposures</u> they have determined to be eligible for a 0% risk weight in their national legislation.</p>
2	<p>General</p> <p>CEBS members would need to provide the reader with hyperlinks to national provisions within this framework. However, the general understanding should be that they will make use of such a facility in an extremely cautious</p>	<p>The two-tiered architecture has proved to be technically feasible with the interaction between the two levels consisting of hyperlinks between web pages. To avoid unnecessary duplication of work and to ease the burden of updating information at both national and CEBS levels, CEBS recommends that links to the actual texts of documents from the CEBS website be used on an exception</p>	<p>No amendments</p>

	<p>way. It is essential that outsiders who are not familiar with the specificities of the banking legislation of a given Member State do not need to undertake any additional research to gain sufficient understanding of how it has implemented European legislation.</p>	<p>basis.</p>	
<p>3</p>	<p>National options and discretions</p> <p>Inclusion of the interpretation of the national discretions is suggested. Currently, with the two-level approach it may happen that for some countries interpretation is provided through their national websites, while for other countries there is none or it is not sufficient. So it could be useful to include at the CEBS level not only the national discretions but also a common framework for their interpretation.</p>	<p>Common interpretation of the national discretions does not form part of the CEBS's supervisory disclosure framework as this is not part of its mandate. All national discretions and options are referred to with a short description and in CEBS's view this provides sufficient basis for harmonised presentation of the application of the national options and discretions across CEBS Members.</p>	<p>No amendments</p>