

## **COMMITTEE OF EUROPEAN BANKING SUPERVISORS**

### **PUBLIC STATEMENT OF CONSULTATION PRACTICES**

The Committee of European Banking Supervisors was established as of 1 January 2004 by a decision of the EU Commission (2004/5/EC). Its tasks include advising the Commission on banking regulation, promoting the consistent application of EU directives and the convergence of supervisory practices throughout the Community, and enhancing supervisory cooperation. The Committee will consult extensively and in an open and transparent manner with market participants, consumers and end-users of banking services.

The aims of consultation are to benefit from the expertise of market participants, consumers and end-users in identifying, assessing and analysing regulatory issues and possible solutions, to promote understanding of the Committee's work and its role and, ultimately, to build consensus where possible between all interested and affected parties on what regulation or supervisory practice is appropriate. To deliver these aims, a flexible and proportionate approach to consultation that can be adapted according to the significance of an issue is required. The Committee's consultation practices are set out below.

#### ***Who is consulted***

1. The Committee will generally:

- i) Target the full range of interested parties, including market participants (e.g. credit institutions, investment firms, etc), consumers, other end-users as well as their representative associations;
- ii) Make consultation proposals, related documents and key dates for the consultation widely known and available through appropriate means, in particular the Internet;
- iii) Consult at national, European and international levels.

2. When the Committee chooses to target its consultations to market participants and their representative associations only, in accordance with Article 11, such targeted consultations will always be announced in accordance with Article 1, ii). This will be followed by the publication of the Committee's final decision on the same topic.
3. The Committee will publish an annual work programme indicating whether a full or a targeted consultation is intended on each area of anticipated work in accordance with Article 1, ii). If a request to be consulted on a particular area is subsequently received from any other party, this request will be granted if it fits in with the time schedule foreseen in the work programme.  
The schedule of workstreams, indicating consultation periods, will be updated quarterly.

### ***Areas of consultation***

4. The Committee will consult on all its work in the area of advising the Commission on draft implementing measures for European legislation in the field of banking supervision.
5. The Committee will also consult on its work in providing guidelines, recommendations, standards and general advice in the area of:
  - i) the consistent application of Community directives;
  - ii) the convergence of Member States' supervisory practices;
  - iii) enhancing supervisory cooperation; and
  - iv) the overall structure of information exchange arrangements.
6. The actual supervisory practice and the actual exchange of information, as ongoing work, will not be subject to consultation, for reasons including the issue of confidentiality.

### ***Modes of consultation***

7. The Committee will:
  - i) Provide an opportunity for interested parties to make submissions on receipt and publication by the Committee of a mandate from the European Commission;
  - ii) Produce reasoned consultative proposals, reflecting all relevant aspects of the issues at stake;
  - iii) Include in proposals preliminary information on their impact whenever available;
  - iv) When necessary, release its thinking at various stages, including via releases of draft papers with initial questions or requests for

comments in accordance with Article 1, ii), prior to a formal consultation period;

- v) Establish consultative groups of technical experts if prior to the formal consultation discussions are planned (experts will be selected by the Committee and by the Consultative Panel);
- vi) Use a variety of means, including Internet and written consultations, public hearings and roundtables, and, if necessary to deepen the Committee's understanding, bilateral meetings with affected parties.

### ***Timing of consultation***

8. The Committee will:

- i) Publish any provisional or formal mandate received from the European Commission as soon as practical after receipt, in accordance with Article 1 ii);
- ii) Organise upon request informal discussions at an early stage with those most likely to be directly affected;
- iii) Consult in line with the cycles defined under Article 9 to enable the Committee to take the responses into account;
- iv) Provide the consulted parties three months to respond for each formal consultation period.

9. CEBS will, unless article 11 is applicable, follow the following standard timelines:

#### Standard Timeline for advice on level 2:

1. 4 months as of receipt of the mandate for CEBS to draft a consultation paper, with possible informal meetings with technical experts recommended by the Panel
2. 3 months public consultation
3. 2 months for CEBS to analyze the received comments
4. 1 month for CEBS to prepare a final opinion and to submit it to the Commission

If work is based on a provisional mandate or if it concerns a controversial matter, and it is possible within the existing timelines, part 4 of this timeline will be replaced by a 1 month-period for preparation of a new consultation document and:

5. 1 month for a second round of consultation
6. 3 months for CEBS to prepare a final opinion and to submit it to the Commission

#### Standard Timeline for work on level 3 issues:

1. Publication of the timeline for work on a level 3 issue.
2. preparation of a consultation paper, with possible informal meetings with technical experts recommended by the Panel
3. 3 months public consultation
4. 2 months for CEBS to analyze the received comments
5. 1 month for CEBS to prepare a feedback document and final opinion and to publish them

If it concerns a controversial matter, and it is possible within the existing timelines, part 5 of this timeline will be replaced by a 1 month-period for preparation of a new consultation document and:

6. 1 month for a second round of consultation and
7. 3 months for CEBS to analyze the received comments and to prepare the final document

### ***Follow-up to consultations***

10. The Committee will:

- i) Give due consideration to responses received;
- ii) Make public in accordance with Article 1, ii) all responses to any of its ongoing or finalized consultations, unless the respondent requests otherwise;
- iii) Publish a summary of the responses received and a reasoned explanation addressing all major points raised as feedback in the attached format, in accordance with Article 1, ii);
- iv) Consult for a second time if the response to the first consultation reveals significant problems, or if revised proposals are radically different from the original proposals on which consultation was based;
- v) Publish all formal proposals and all advice given to the European Commission in accordance with Article 1, ii).

### ***Amendments to standard consultation procedures***

11. The Committee will as a rule apply the standard consultation procedure. Amendments may be made to the standard consultation procedure in the following circumstances:

- if the months of July and/or August or mid December to mid January are included in any stated standard term (either for technical work, for consultation or for feedback) the set standard term is lengthened by one month;
- if shorter timelines are set by third parties for work by CEBS;
- if there is no time constraint;
- if a provisional instead of a formal mandate is received;

- if it concerns technical advice or technical level 3 instruments with an impact only on a specific set of market participants or for textual improvements only;
- if the documents include information protected by e.g. secrecy regulations.

### ***Final provisions***

12. If it is not possible for the Committee to follow the principles described above, the Committee will publicly explain its reasons.
13. When necessary, the Committee will review this statement of consultation practices.

Annex to Public Statement on Consultation Practices

Standard format for feedback as referred to in article 10, iii).

<b>Draft Text</b>	<b>Received Comments</b>	<b>Panel comments (if and when consulted)</b>	<b>Analysis</b>	<b>New text</b>
1.	Detailed analysis	Including majority minority views	Accept/reject and reasoning	Set out re-draft of specific text(s) if appropriate
2.				