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Tiina Astola
Director General
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27 May 2016

EBA Opinion on the application of the principle of proportionality to the remuneration provisions in Directive 2013/36/EU (EBA/Op/2015/25); your letter Ares (2016)1895826 - 21/04/2016

Dear Ms Astola

I am writing in response to your letter requesting supplementary explanations of the information provided in the EBA Opinion (EBA/OP/2015/25) on the application of the principle of proportionality to the remuneration provisions in Directive 2013/36/EU (Capital Requirements Directive – CRD).

We are pleased that our suggestion to exclude certain small, non-complex institutions and staff who receives only low amounts of variable remuneration from the application of certain remuneration principles is followed up by your services. The EBA stands ready to assist you and will do its best to provide additional information to support our recommendation to amend the CRD.

As you surely know, the EBA collects on an annual basis data to benchmark remuneration practices at EU level. In this respect and to the greatest extent possible, the EBA would rely on the data already available to provide you with some of the information requested.

We appreciate that your request differentiates the deadlines for different types of information to be provided. Nevertheless, the deadlines proposed by your services are not quite feasible and the EBA will not be in a position to deliver all the information requested.

More in detail, the EBA will organise a data collection for the request under point I) in the appendix of your letter. This data is deemed useful to evaluate the status of the application of waivers in Member States and the need to further harmonise the application of the CRD remuneration requirements. The delivery of the information should be possible by October 2016.

Some of the information under point II) in the appendix of your letter has already been provided to your services in the context of our previous work on proportionality in the area of remuneration. It is to be noted that the information under point II is relevant for all UCITS and AIF managers and not only the ones being subsidiaries of banking groups.

With regard to the collection of the requested data under point III) in the appendix of your letter, the requested information would be useful to calibrate potential thresholds for the application of waivers. That said, it is difficult to foresee that such thresholds could be included directly in the Level 1 text, as it may risk crystallising matters for a too long period. The EBA will use the data collected under point I) and the information already collected as part of the EBA remuneration benchmarking analysis, to derive estimates on some of the information requested. We should be in a position to deliver our input to your services by end November 2016.

My services stand ready to further engage with your services to provide more details on the data collection and preliminary results in order to support in the best manner the work of the European Commission towards a possible legislative proposal.

Yours sincerely

Signed

Andrea Enria

CC: Jeroen Hooijer, DG Just, Directorate A, Acting Director