

Expert Group Comments - National Discretions

CEBS Hearing
London, 17 June



Process – industry expert group

- ❑ Experts chosen by CEBS through Consultative Committee
- ❑ Around 20 participants – mix of association and industry representatives from different sectors and representing institutions of all sizes
- ❑ Meetings and Tel-cos with CEBS
- ❑ Separate meetings and Tel-cos
- ❑ Objective: joint and ongoing feedback to CEBS



Evaluation of the Process (1)

- Welcome early involvement of different parts of the industry and ongoing process
- In particular helpful to ensure common understanding of main principles, analytical approach, thinking underlying different recommendations – both between industry participants and vis-à-vis CEBS WG

Evaluation of the Process (2)

- Timelines tight, especially for technical feedback – figures and impact assessments cannot be provided ‘ad hoc’
- Although balanced composition of the group, cannot replace broader industry consultation
- E.g. not up to the group to ‘agree’ to an extension of the timelines

Impact Assessments

- Expert group cannot replace IAs
- IAs have to be provided by CEBS
- CEBS indeed pragmatic approach – not always possible to quantify impact of one or the other option
- Lack of general thoughts about difficulties of current situation in terms of e.g. Pillar 2 and 3



Another point on timing...

- Hearings more helpful towards the end of the consultation process, as usually done by CEBS, - or
- Two hearings, i.e. one after responses have been received



Initial Feedback on Consultation

- Basic considerations much improved:
glossary, substantiation of arguments and options chosen (mutual recognition/ joint process/ supervisory decision etc.)
- Will be a good basis for discussion and much help the consistency of the approach



In Detail...

- Yet need to check all of the discretions
- First impression: mixed – with a number of good and consistent proposals, and others that are divergent from the industry’s initial suggestion, but probably acceptable
- However, also many cases of inconsistencies with CEBS’ own underlying classification rationale

Summary

- Helpful process in principle – ongoing dialogue with the industry important
- Positive and useful first experience - should be built on for future repetition
- Need realistic expectations from both sides (figures, IAs, ...)
- Timing difficult, for all involved
- Guiding role, no ‘endorsement’ or blessing of decisions made by the WG
- In terms of outcome, clear improvements in some areas, but need for more substantial work in others