



European Banking Industry Committee

European Banking Federation (EBF) • European Savings and Retail Banking Group (ESBG) • European Association of Cooperative Banks (EACB) • European Mortgage Federation-European Covered Bonds Council (EMF-ECBC) • European Federation of Building Societies (EFBS) • European Federation of Finance House Associations (Eurofinas)/European Federation of Leasing Company Associations (Leaseurope) • European Association of Public Banks (EAPB)

To:

Mr Olivier Guersent

Director-General of DG FISMA

European Commission

Email: olivier.guersent@ec.europa.eu

Brussels, 27 March 2018

Re: Commission's consultation on the finalisation of Basel III – deadline extension

Dear Mr Guersent,

Please allow the European Banking Industry Committee (EBIC) to reach out to you regarding the Commission's consultation on the finalisation of Basel III.

EBIC welcomes the fact that despite the consultation not being on a legislative proposal, the Commission has decided to apply its normal rules for public consultations, since these provide for a transparent, diverse and just basis for an effective legislative process. The length of the consultation period aside, stakeholders should be consulted when their views can still make a difference, proportionality and specific restraints should be respected and it should be ensured that all relevant parties have an opportunity to express their opinions. As a rule, and in order to make the above possible, the Commission should provide sufficient time for planning and responses.

In this respect, considering the short consultation period in this case, it should be questioned whether all relevant stakeholders will be able to adequately contribute to the process in such a short timeframe. If they are not, this may be seen as affecting the legal certainty of the legislative process while also compromising the general principles for public consultations and the objectives of better regulation and respecting proportionality.

The Commission's consultation comprises sixteen questions, many of which involve complex issues that require extensive calculation exercises to be conducted by institutions, some of which are better prepared for the task than others; their ability to provide the consultation with anything substantial will depend on resources, size and which calculations – if any – the institution has already carried out. Nevertheless, such exercises could in many cases take several months to carry out, rendering an adequate response to the consultation virtually impossible. It should be noted that the scope for such efforts is exceptionally wide: the consultation covers everything from the standardised approach for credit risk, internal rating-based approaches for credit risk, the credit valuation adjustment (CVA) risk and operational risk frameworks, to the output floor.

In order to ensure legal certainty and the overall quality of the coming legislative proposal, EBiC would like to express its concern that the consultation period is clearly too short to ensure valid, qualitative and substantial responses from a broad variety of stakeholders. Therefore, we would kindly want to ask the Commission to reconsider the length of the consultation period.

EBiC hopes that its concerns are taken into consideration by the Commission and remains at your disposal should you wish to discuss any aspect in greater detail.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Chris De Noose', written in a cursive style.

Chris De Noose,
Chair of EBiC.