



## European Banking Industry Committee

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European Banking Federation (EBF) • European Savings Banks Group (ESBG) • European Association of Cooperative Banks (EACB)  
European Mortgage Federation (EMF) • 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 the Right Honorable  
GORDON BROWN M.P  
Chancellor of the Exchequer  
UK Presidency**

**To Mr. JOSEP BORRELL FONTELLES,  
President of the European Parliament**

Brussels, 27 September 2005

RE: Capital Requirements Directive: Resolution of inter-institutional issues

Dear Sirs,

The European Banking Industry Committee (EBiC) congratulates the European Parliament and Council of Ministers for the substantial progress made thus far on agreeing the 'technical' aspects of what is a very complex and detailed piece of legislation, the Capital Requirements Directive (CRD). However, we are writing to you in a plea to find an appropriate and timely solution to overcome the remaining inter-institutional divergences of opinion over comitology in the Directive. These we understand to be the last remaining barrier to adoption of the CRD.

In light of the good progress made to date on the negotiations of the CRD, thereby transposing the Basel Framework on capital requirements into European law, the remaining unresolved aspects of the comitology question must not lead to a delay in the adoption of the Directive. A delay would not only put considerable industry investment at risk, but could, furthermore, result in an unlevel playing field between European banks and their banking competitors in other jurisdictions. Flexibility in the CRD is essential given the technical nature of the legislation and the fast pace of change in the industry.

EBiC once more appeals to all EU institutions involved to have regard to the Inter-Institutional Agreement on comitology of 2002, which clarifies to some extent the roles of the EU institutions in the context of the delegation of implementing powers. The agreement aims at granting equivalent powers to the Council of Ministers and the European Parliament. The terms of this agreement, which expires in 2007, have been transposed into the draft EU Constitution further strengthening the role of the European Parliament notably by providing a call-back right for both institutions. The Constitution received the full support of all the EU Institutions. This must be reflected in the CRD.

Despite the inter-institutional nature of these issues, the significance of the potential impact on the banking industry a delay to the adoption of the CRD could cause is such, that EBIC calls for an efficient solution to the remaining aspects of the comitology question. This way, the European Union would make a further move towards the goals of the Lisbon Agenda and provide its banking industry with both the framework principles and flexible technical annexes of the CRD on a timely basis.

Yours sincerely,



Hein Blocks  
EBIC Chairman



Michaela Koller  
EBIC Secretariat

CC:

- **European Parliament:**
  - o Herr POETTERING, Hans-Gert , Chairman, PPE-DE
  - o Herr SCHULZ, Martin , Chairman, PSE
  - o Mr WATSON, Graham , Chairman, ALDE
  - o Sig.ra FRASSONI, Monica , Co-president, Verts/ALE
  - o Herr COHN-BENDIT, Daniel Marc , Co-president, Verts/ALE
  - o M. WURTZ, Francis , Chairman, GUE/NGL
  - o Mme BERES Pervenche, ECON Chairwoman
  - o Herr RADWAN Alexander, rapporteur
  - o Herr Ettl Harald, Shadow rapporteur
  - o Herr KLINZ Wolfgang, Shadow rapporteur
- **UK Presidency:** Mr. Daniel Trinder, Mr. Gary Roberts
- **In-coming Austrian Presidency:** Ms.Iris Leixner
- **European Commission:** Commissioner McCreevy, Mr. Martin Merlin, Mr. Jean-Claude Thebault, Mr.Elemer Tertak, Mr. Patrick Pearson