



European Banking Industry Committee

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)

0270/2009
LDR

Mr. Elemér Terták
Director
European Commission
Directorate-General Internal Market and Services
European Commission
B - 1000 Brussels

To: elemer.tertak@ec.europa.eu
Cc: patrick.pearson@ec.europa.eu

Brussels, 29 April 2009

Re: EBIC Comments on the Commission's proposals concerning possible changes to the CRD for the trading book and complex securitizations

Dear Mr. Terták,

EBIC welcomes the opportunity to comment on the proposals for further possible amendments to the Capital Requirements Directive (CRD). EBIC would like to reiterate on this occasion that it regards an intensive dialogue between rule-makers and industry representatives as particularly important for the effectiveness of regulatory proposals.

EBIC will concentrate in this letter on its main message and refers for further comments to the individual positions submitted to the Commission by EBIC Member Associations in the framework of the current consultation.

EBIC notes the Commission's declared intention to build its proposals on the consultative documents of the Basel Committee and welcomes the fact that the Commission's consultation paper follows to a large extent the international proposals. However, EBIC regrets that on some important aspects the Commission's proposals deviate substantially from the Basel Committee's consultative documents. This could impact negatively on the EU banking industry and gravely disturb the international level playing field, especially as the United States have not implemented Basel II, which is already in itself a source of distortion. As mentioned consistently in EBIC positions, in this area it is crucial that European and international regulatory developments are not merely compatible, but aligned, in order to assure the competitiveness of European players and markets. This should of course not preclude EU legislation from reflecting EU specificities. Yet, as regards the specific issues that constitute the object

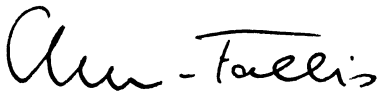
of the current proposals we do not see any EU specificities that would justify a different treatment at EU level.

Especially, the proposal to deduct resecuritisation exposures from capital diverges significantly from international regulatory proposals and would place EU banks at a considerable competitive disadvantage. Furthermore, such flat deduction will not provide any incentives for risk analysis and proper risk management and will impact negatively on newly proposed due diligence requirements.

Furthermore, EBIC would like to draw attention to the fact that the Basel Committee has issued so far only consultative documents to which the industry has provided extensive comments that will hopefully be considered when devising the final proposal. To prevent further divergences between EU and international regulation, we would urge the Commission to draft EU legislation on the basis of the final Basel Committee proposals and consult once again all stakeholders.

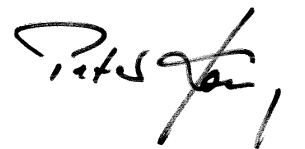
EBIC stands ready to discuss this matter further with you and the EBIC Secretariat remains at your disposal for any questions you may have in relation to this issue.

Yours sincerely,



Karl-Peter SCHACKMANN-FALLIS

EBIC Chair



Peter KONESNY

Chair EBIC Working Group on
Supervisory Practices