



Template for comments

ECB Guide to the internal liquidity adequacy assessment process (ILAAP)

Institution/Company

French Banking Federation

Contact person

Mr/Ms

First name

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Telephone number

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General comments

The French Banking Federation (FBF) represents the interests of the banking industry in France. Its membership is composed of all credit institutions authorized as banks and doing business in France, i.e. more than 390 commercial, cooperative and mutual banks. FBF member banks have more than 38,000 permanent branches in France. They employ 370,000 people in France and around the world, and service 48 million customers

The FBF welcomes the opportunity to share its comments on the European Central Bank (ECB) draft Guide to the internal liquidity adequacy assessment process

The FBF reiterates its support for a stable and resilient global financial system, while facilitating economic growth. To this end, while supporting the ECB's initiative on the introduction of the Guide, we believe that the proposed consultative document raises some concerns and requires some clarification as regards to its implementation. In our view, it is essential that regulators and the industry engage in proactive discussions to assist institutions in strengthening their ILAAPs, encourage the use of best practices and explain the ECB's expectations on the ILAAP

:Summary of key comments

;We ask for a gradually and proportionately introduction of the ILAAP requirements as defined in the ECB Guide- -

It should be considered for some banking groups, as regards to the very high level of their liquidity buffers, it is difficult to define credible reverse stress testing scenarios leading exhaust liquidity buffers

If we consider the introduction of stress-testing programme for normative perspectives, it is not clear enough if this requirement is about the inclusion of future normative and regulatory requirements or about the definition of revised and stressed conditions applying to stressed

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Please enter all your feedback in this list.

When entering feedback, please make sure that:

- each comment deals with a single issue only;
- you indicate the relevant article/chapter/paragraph, where appropriate;
- you indicate whether your comment is a proposed amendment, clarification or deletion.

Deadline: 4 May 2018

ID	Chapter	Paragraph	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data
1	Scope and proportionality	14	4	Clarification	The application date of the "ECB Guide to the ILAAP" is not mentioned. We wonder if credit institutions will have to comply by 2019. We ask for the introduction of a dedicated paragraph considering that the "ECB Guide to the ILAAP" should be considered gradually and proportionately by credit institutions, on a case by case basis.	In order to clarify requirements for both credit institutions and supervisory authorities, we ask for more clarification regarding the application date of the ECB requirements.	,	Don't publish
2	Principle 1	19	6	Clarification	It should be clarified that ILAAP outcomes and assumptions backtesting do not concern Stress tests. Indeed, only a crisis can properly backtest a stress scenario.	We ask for clarification on how and on which scope ILAAP backtesting should be performed.	,	Don't publish
3	Principle 2	The ILAAP and the risk appetite framework	10	Deletion	Considering the lack of guidelines covering the risk appetite statement, we ask for a deletion of the link between the risk appetite statement (RAS) and the risk appetite framework (RAF). We ask the ECB to define guidelines on the risk appetite statement.	We ask for dedicated guidelines on the risk appetite statement (RAS).	,	Don't publish
4	Principle 2	28	10	Clarification	It should be clarified if the risk appetite framework (RAF) is either an input or an output of the ILAAP and how does they interplay.	It is not cristal clear how risk appetite framework (RAF) interplays with the ILAAP.	,	Don't publish
5	Principle 3	44	15	Amendment	If we consider both paragraphs 39 and 44, it should be clarified in article 44 that forward-looking horizons are expected to capture : - one year for the liquidity position; - three years or more for the funding position.	We ask for more consistency between paragraphs 39 and 44.	,	Don't publish
6	Principle 3	46	15	Clarification	It should be clarified that the same scenario and the same assumptions apply to the projections under economic and normative perspectives.	We ask for clarifications on scenarios and assumptions	,	Don't publish
7	Principle 4	54	18	Deletion	We ask for the removal of any specific risk in the ECB Guide. The "shadow banking" is a specific risk. We ask for its removal from paragraph 54.	We ask for the removal of the reference to the shadow banking.	,	Don't publish

