EUROPEAN CENTRAL BANK

BANKING SUPERVISION

Template for comments

Public consultation on revisions to the ECB's policies concerning the exercise of Options and Discretions (O&Ds) in Union law

Institution/Company

German Savings Banks Association // Deutscher Sparkassen- und Giroverband e.V. (DSGV)

Contact person

Mr/Ms

First name

Surname

Email address

Telephone number

☑ Please tick here if you do not wish your personal data to be published.

General comments

The following comments are identical in content to those of the National Association of German Cooperative Banks (Bundesverband der Deutschen Volksbanken und Raiffeisenbanken, BVR).

Template for comments

Public consultation on revisions to the ECB's policies concerning the exercise of Options and Discretions (O&Ds) in Union law

ECB Guide on Options and Discretions under Union law

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:	midnight CET on 10 January

ID	Section	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter
1	II.4 no. 5 (3) lit. (i)	57	Deletion	The amendment is acceptable in general, however the footnote “This applies to both financial and non-financial support measures by the IPS.” should be deleted.	Unlike financial measures, non-financial measures are not support from the IPS, which can be made subject to conditions.	DSGV
1	II.4 no. 5 (3) lit. (ii)	57	Amendment	As stated beside we advocate the deletion of the proposed new sentence or an alternative formulation of the second half-sentence as follows: „… and an appropriate but significantly shorter period of time for liquidity measures…“.	Proven IPS practice has shown that necessary support measures have been and can be granted at any time within a reasonable period of time. The current wording “in a timely manner” is therefore sufficiently clear and appropriate. The IPS internal regulations are designed accordingly. However, it is not helpful to use vague formulations to create a supposedly more specific definition. In particular, the wording “no more than a few days” can lead to an unnecessary restriction of the flexibility of the IPS in cases where a longer period of time would be possible, though. In cases where action must be taken as quickly as possible - i.e. within “a few days” - the IPS will do so anyway.	DSGV

3	II.4 no. 5 (3) lit. (iv)	57f	Deletion	The wording “internal spill-over effects between IPS entities” and the link towards the regulatory compliance is unclear and should be deleted. Thus, the entire amendment "In this context, the IPS should also consider (i) the extent to which internal spill-over effects between IPS entities resulting from potential support cases will exhaust the IPS support capacity, and (ii) how the IPS, when confronted with an extreme support case depleting its support capacity, would ensure that all its members and the IPS as a whole continue to comply with regulatory requirements." should be deleted.	The design features of stress tests are basically acceptable from the perspective of risk management. The next, newly added sentence should be deleted completely. The negative effects in a stress test are calculated by the idiosyncratic or system-wide stress test across each and all institutions and are therefore comprehensive. It should also be noted that spill-over effects are merely part of a classic going-concern stresst test perspective. Furthermore, the assessment of regulatory compliance of the IPS and its members should be kept in mind for analysing the stress test results but should not be part of the parametrisation of the stress scenario itself. Besides this would also not in line with the basis to determine the minimum target level of the funds (cp. II.4 (3) lit. (iv) point c).	DSGV
4	II.4 no. 5 (3) lit. (vi)	58	Deletion	This new passage contradicts the second subparagraph of Art. 4 (2) DGSD and should therefore be deleted without replacement.	If the recognition of an IPS as a DGS requires the fulfilment of the requirements of Art. 113 (7) CRR and the requirements of the DGSD, the possibility of recognition cannot be linked to additional requirements that are not standardized at the same level. This anticipates further negotiations in European legislation (particularly in the context of the CMDI Review). Otherwise, the request would constitute an overstepping of competences.	DSGV
5	II.4 no. 5 (4) lit. (iv)	59	Deletion	Forward-looking element: The last half-sentence of the addition “...in order to ...” should be deleted.	This is basically already part of the stress testing and the restriction to macroeconomic developments excludes an institution-related forward-looking view.	DSGV

6	II.4 no. 5 (4) lit. (v)	59	Deletion	The addition with reference to “based on clear indicators triggering proactive decision-making by the IPS” should be deleted.	A link between clearly defined indicators and IPS measures in the sense of a trigger does not do justice to the matter, particularly in the area of monitoring. There is a lack of individual consideration of qualitative factors in particular, which can be decisive for the further development of the institute.	DSGV
7	II.4 no. 5 (7)	60	Deletion	Roles by opt-out; deletion of the last sentence (of the proposed) amendment	It is not understandable how a credit institution is supposed to ensure that an IPS it is about to leave complies with regulatory requirements. In particular, a single institution cannot and is also not supposed to assess the performance of the IPS in relation to all affiliated institutions. This would mean extensive knowledge about the financial means and condition of the system on the one hand and the affiliated institutions on the other, which is not known to the institution and is subject to strict confidentiality. The member leaving the IPS also has no means of ensuring that the IPS complies, even if it had the relevant knowledge.	DSGV
8	II.4 no. 5 (10)	61	Deletion	In the first sentence, it should be noted that no “approval” is associated with monitoring and that “at regular intervals” only refers to monitoring and not to regular renewal of the permit.	The IPS is recognized in accordance with Art. 113 (7) CRR; this is not dependent on approvals. If the requirements for recognition are no longer met, it would have to be revoked. The use of the plural for supervisory authorities in this context is misleading, as in Germany only one authority (BaFin) is responsible for the supervision of the system.	DSGV

9	II.4 no. 5 (10)	61	Deletion	The second sentence would entitle the ECB to request the same information as the NCA from now on. This passage should be deleted without replacement.	The cooperation between the ECB and NCA with regard to the supervision of LSIs and SIs is regulated in the SSM Regulation and offers the ECB and NCA every opportunity to obtain the information required for supervision directly (from the institutions) or indirectly (via the NCA). However, this does not mean that the same information must always be available at the ECB as at the NCA.	DSGV
10	II.4 no. 5 (10)	61	Clarification	Scope of key regulatory figures and possibility of central assessment	As of our understanding the "key regulatory indicators" comprises the capital ratios. Besides the quantification of those reliefs can also be done by the IPS itself and afterwards reported to the IPS members.	DSGV

Template for comments

Public consultation on revisions to the ECB's policies concerning the exercise of Options and Discretions (O&Ds) in Union law

ECB Regulation on Options and Discretions under Union law

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:	midnight CET on 10 January

ID	Section	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data

Template for comments

Public consultation on revisions to the ECB's policies concerning the exercise of Options and Discretions (O&Ds) in Union law

ECB Guideline on Options and Discretions under Union law

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:	midnight CET on 10 January

ID	Section	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data

Template for comments

Public consultation on revisions to the ECB's policies concerning the exercise of Options and Discretions (O&Ds) in Union law

ECB Recommendation on Options and Discretions under Union law

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:	midnight CET on 10 January

ID	Section	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data