



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Template for comments

Public consultation on the Guide to on-site inspections and internal models investigations

Institution/Company

Austrian Federal Economic Chamber, Division Bank and Insurance

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General comments

Template for comments

Public consultation on the Guide to on-site inspections and internal models investigations

Please enter all your feedback in this list.

When entering your feedback, please make sure:

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

Deadline: 15 September 2017

ID	Chapter	Paragraph	Page	Type of comment	Detailed comment	Concise statement why your comment should be taken on board	Name of commenter	Personal data
1			1		In general the structure of the Guide is not fully clear. There are several parts that are stated more than one time in - slightly - different words. All redundancies should be removed. Furthermore there are some key elements missing. The term finding is not included/described in part 2.3 inspection outcomes.	This would contribute to a common understanding of the Guide.	Rudorfer, Franz	Publish
1	1.1 Organisation of the supervision of significant institutions	1.1.3 Role of the Joint Supervisory Teams and 1.1.4 Role of the ECB in inspections	5	Clarification	An improved coordination and exchange of information between the JST and on-site inspection teams would be highly appreciated. Furthermore, stronger involvement of the JST within on-site inspections would be a possible way of improving the coordination, e.g. by having a member of the JST present during the entire on-site inspection.	As of now, on-site inspection teams often ask for information, which has already been submitted to JST. A better coordination between JST and on-site inspection teams would increase overall efficiency. Stronger involvement of JST in on-site inspection process would also enhance quality of follow-up tasks.	Rudorfer, Franz	Publish
2	1.2		5 and 6		A supervisory decision is only needed for self-induced OSI and IMI but not for IMIs upon application, this should be clarified	It can not be that the supervisor "decides" upon the question whether to execute an IMI which is application induced or not. The supervisor is bound by the legally set timelines to achieve a decision. So it can only be a kind of "internal" decision within the supervisory authority on the exact timing of the IMI.	Rudorfer, Franz	Publish
2	1.2 Decision-making process for inspections		5	Clarification	It would be helpful to receive information about the main focus for on-site inspections at the beginning of the year in the course of the annual planning of the supervisory examination programme (acc. CRD IV Art. 99) or in accordance with the yearly ECB Priorities.	Supervised entities could then better allocate resources and improve capacity planning towards the areas, where the main focus for on-site inspections will be.	Email address, Surname	Publish

1	1	1.3	7	Amendment	"Inspections must be [...] Forward-looking, looking beyond present or historical figures to anticipate possible future negative impacts." This statement should be amended by adding that also conditions having a positive impact in the future shall be considered in the assessment (e.g. finalization of projects after the reference date, etc.).	Considering also positive future impacts ensures a concise assessment of the risk profile in the inspected banks.	Rudorfer, Franz	Publish
3	1.3		7		The principle of "intrusive" is somewhat disturbing on as "intrusion" has a negative connotation to our understanding. To put intrusion as a principle seems to be somewhat odd.	Please reconsider the phrasing of "intrusive"	Rudorfer, Franz	Publish
3	1.6 Composition of the inspection team		8	Clarification	The Guide states that the inspection team may also include external consultants. If these external consultants are compensated by time and material, the more questions they ask, the more fees they generate. We would therefore propose to allow the ECB only to hire externals, if their fees are either capped, or otherwise limited (e.g. by a fixed fee per OSI).	In our opinion compensating external consultants by time and material constitutes a conflict of interest and does not foster the efficiency of the execution of the missions.	Rudorfer, Franz	Publish
5	1.4		9		The case of an withdrawal of an application is not addressed: clarification would be helpful, if an institution can receive a draft report in this instance or not	It seems unclear if the institution can expect a - draft - audit report in the case of the withdrawal of an application. In case that the withdrawal is executed at a point in time when the IMI already generated a - draft - report, we would find it very useful to receive it.	Rudorfer, Franz	Publish
3	2	2.2.1	9-10	Amendment	The scope of the on-site inspection should be clearly defined in the announcement letter. Up to now only a vague title (e.g. Business Model & Profitability) which was already communicated in the Supervisory Examination Program is included. It should be regulated that the inspected legal entity should be informed about the detailed inspection scope (area of inspection activity), the indicative timeline and in case of Banking Groups which Sub-Groups are potentially involved in the inspection scope.	The implementation of the proposed provision would ensure transparency and give the inspected entities the possibility to adequately prepare the inspection and to inform the right areas in the bank.	Rudorfer, Franz	Publish

6	1.6		8	<p>Ad "composition of assessment team": In the case of external parties the question arises how the institution can ensure that these persons are fully in scope of the application of the secrecy requirements set out in the regulatory framework, whereas in view of staff members of the supervisory authority the general assumption is that these staff members are in scope. A formal letter with the identification details of the externals e.g. and a statement that they are part of the IMI/OSI and are entitled under section xxx of the SSM Framework Regulation)</p>	<p>From the institution's perspective external members of a OSI or IMI, persons which are not staff members of a supervisory authority, either need to sign an NDA or the institution needs a written statement, setting out the identification details of these persons, that these persons are entitled to participate in an IMI/OSI based on the current regulatory framework and have been nominated by a supervisory authority, meaning that they are fully bound by the existing legal framework on data protection, banking secrecy and professional secrecy, whereas these persons have been instructed in detail and writing what exactly their duties are in this respect.</p>	Rudorfer, Franz	Publish
7	2.1.		9	<p>On page 9 an overview of steps of an inspection is provided. "Inspection" is meant either as an on-site inspection (OSI) or internal model investigation (IMI), whereby IMI can start in relation to the submission of an application for internal model approval. It can be said that the current overview of inspection steps does not take into account the situation when the application is withdrawn by an applicant or when the application is rejected (model change is not approved) by the regulator.</p>	<p>The Guide should indicate the steps of inspection process when the application for internal model approval (IMI case) is withdrawn by the applicant or the application is rejected. From the proposed overview is not clear e.g. whether a draft report will be delivered to the applicant when the application is to be withdrawn after the on-site fieldwork phase (i.e. before exit meeting) or when the application is rejected by the regulator due to several findings if there will be the follow-up phase in order to address the entity requested actions (considering the fact the ECB decision will be issued).</p>	Rudorfer, Franz	Publish
8	2.1		9	<p>The commenting phase should be more clearly set out in the table</p>	<p>As for institutions this is a very important phase, this would qualify for setting this phase specifically out in the table in 2.1</p>	Rudorfer, Franz	Publish

9	2.2.1		10		<p>Ad "preparatory phase": is readiness = pre-application phase? What is the goal of this phase? It is not clear whether in this phase the ECB plans to apply the pre-application phase or not and only initial meetings will be in place. It seems to be a mix up of organisational and content wise issues. It should be clearly set out if a pre-application phase in the case of application induced IMIs should take place and what the function of this phase is. Regarding confirmation of the legal entity's readiness to submit an application: The assessment of such readiness may involve initial meetings at the inspected legal entity's premises at an early stage. In such cases the inspected legal entity receives feedback about the ECB's views on whether or not it is ready to submit an official application. From this wording it is not clear whether the regulator plans also to apply a pre-application phase in order to assess the readiness of the official application.</p>	<p>We would recommend to more clearly differentiate between the function "organisational preparation" (i.e., checking availability of resources, staff, technicalities, etc), and "content wise preparation", meaning a phase where the institution can expect - preliminary - feedback from the supervisor before - officially - applying. To our understanding the first aspect would qualify for all OSI/IMI, whereas the second one would be only relevant for application induced IMIs. Further, according to the current practice, an application for internal model approval can be subject to a pre-application phase in order to pre-assess the readiness for a submission of the official application. In the Guide it should be clarified whether those initial meetings are replacing the pre-application phase or there is still a possibility for the regulator to assess the readiness also in the pre-application phase. In the Guide should be a clear guidance by which means the readiness can be assessed in order to reflect in the preparation phase (preparation of the application package), particularly from the timing perspective (as the length of the pre-application phase can be 6 months).</p>	Rudorfer, Franz	Publish
10	2.2.1		10		<p>Notification of the commencement of the inspection: Our proposal is to send in any case the notification to the affected legal entity (as stated by Art. 145 par. 1 SSM Framework Regulation) and to the parent undertaking..</p>	<p>We recommend specifying that the parent undertaking - if a subsidiary is affected - is only the receiver of a copy of the original notification, which should in any case be addressed to the affected entity as this is required by Art. 145 par. 1 of the SSM Framework Regulation.</p>	Rudorfer, Franz	Publish
4	2.2 Description of the main steps of an inspection	2.2.1 Notification of the commencement of an inspection	10	Amendment	<p>Notification of the commencement of an inspection <i>at least five working days</i> in advance: In our opinion, being notified only 5 days before an examination is not acceptable, as it doesn't allow any resource planning including holidays, but also simple physical preparations (secured rooms, computers, etc). Such notification deadline should be at least 4 weeks/20 working days before the kick-off meeting.</p>	<p>Especially given the fact that on-site inspection teams expect appropriate working conditions (secure offices, IT equipment, access to databases, etc.) as laid out in sections 3.3.2 and 3.3.3 of the Guide, being notified only 5 days in advance does not leave enough time for a proper preparation of the inspected entity. Also, as the CEO or another member of the executive board is expected to attend the Kick-off meeting and their short term availability is very limited, setting date and time of the Kick-off meeting only 5 days in advance will ultimately create scheduling conflicts.</p>	Rudorfer, Franz	Publish

4	2	2.2.1	10	Amendment	The involvement of subsidiaries in Group-wide inspections is not regulated in the guide at all. In case of Banking Groups, when submitting the first request of information, the inspection team shall also inform the inspected legal entity about the request to have an on-site phase in a subsidiary, part of the inspected banking Group.	For subsidiaries it is not initially clear in which of inspections the scope is extended by conducting also on-site visits in the subsidiary bank. If the intention to perform on-site visits in a subsidiary are announced in the first request of information, the information transparency would be ensured and the inspected legal entity can plan the adequately steps to meet supervisory expectations.	Rudorfer, Franz	Publish
11	2.2.2.		11		Regarding the kick-off meeting ("The HoM may also ask the inspected legal entity to identify the main contact persons for each topic, if applicable.") we recommend applying this provision only in exceptional cases or deleting it completely as the communication for all inspection relevant topics needs to go through the institution's SPOC.	The creation of parallel communication channels should be avoided.	Rudorfer, Franz	Publish
12	2.2.2		11		Ad "The inspection team may also use the opportunity to set deadlines for receiving any outstanding information requested": In general we propose in view of setting of deadlines, be it for data/information request be it for meeting requests, that these are set bilaterally after confirmation by the institution, but not unilaterally. Only in the case of an indication of non-cooperation the unilateral setting of deadlines should be used. This should underline the cooperative setting of such OSI/IMIs.	We propose the following rewording: "The inspection team may also use the opportunity to set deadlines for receiving any outstanding information requested after alignment with the institution." This principle same should apply throughout the whole Guide for all settings of deadlines.	Rudorfer, Franz	Publish
13	2.2.2.		11		According to the Guide a senior representative of the inspected legal entity should attend the kick-off meeting. This should be either the CEO or a member of the executive board. In the section "Applicable principles for inspections" is stated that it is expected that the CEO or executive board-level representatives of inspected legal entities will be present or represented at a sufficiently senior level when making contact at the start of the investigations i.e. principles allow that the CEO or members of the executive board can be represented at a sufficiently senior level.	For large international banking groups it is difficult to manage the availability of board members at short notice. In combination with the 5d notification period, this could be challenging. Further, it has to be considered that significant banking groups are subject to numerous on-site inspections during the SEP, in some cases in the same timeschedule. In order to align the Guide and its principles, EGB proposes to formulate respective sentence in the Guide as follows: "This should be either the CEO, a member of the executive board or a representative at a sufficiently senior level."	Rudorfer, Franz	Publish

5	2.2 Description of the main steps of an inspection	2.2.2 Investigation phase - Kick-off meeting	11	Clarification	The Guide states that during the Kick-off meeting, the HoM presents the objectives and scope of the inspection and details the steps involved. This is highly welcomed, however in practice, often this presentation is limited to few sentences. We would appreciate, if an overview slide about the inspection steps could be always provided.		Rudorfer, Franz	Publish
6	2	2.2.3	13	Amendment	It should be written in the guide that the severity of findings has to be included in the final report (for each finding)	Of course all findings from supervisory inspection reports are addressed with the highest priority, but a grading of the severity of the findings would support the institution in an evaluation of the inspections outcome.	Rudorfer, Franz	Publish
14	2.2.2		12		Regarding execution of the work programme: access to IT systems should be granted upon specific request in dedicated cases and not in general, if this is technically feasible; in any case read rights only.	The wording should be reformulated accordingly.	Rudorfer, Franz	Publish
16	2.2.3		13		Regarding reporting phase: draft report should be sent two weeks in advance - "few days" is not enough and does not really allow for adequate preparation, at least the time period should be specified, because it is essential for the inspected entity.	The wording should be reformulated accordingly.	Rudorfer, Franz	Publish
17	2.2.3		13		Regarding the opportunity for the inspected entity to provide written feedback to the draft report ("During the exit meeting, the HoM presents the outcome of the inspection which opens the opportunity for the legal inspected entity to provide written feedback within two weeks of receiving the draft ...") we propose setting the deadline from the exit meeting and not from receiving the draft. This is also in consideration of the fact that the relevant details are discussed during the exit meeting.	This would allow inspected entities an adequate preparation time for formulating their feedback.	Rudorfer, Franz	Publish
7	2.2 Description of the main steps of an inspection	2.2.3 Reporting phase	13	Amendment	The Guide states that the draft report should be sent to the inspected entity <i>a few days in advance</i> of the exit meeting. This does not provide a precise timeline for the inspected entity to count on, we would suggest to having it sent <i>at least 1 week in advance</i> .	If the report is sent to the inspected entity only a few days (meaning for example 2 or 3 days) before the exit meeting, this does not allow for an adequate preparation.	Rudorfer, Franz	Publish
8	2.2 Description of the main steps of an inspection	2.2.3. Reporting phase	13-14	Amendment	In our opinion, the time between the exit meeting and the submission of the final report usually takes too long. It would be highly appreciated, if the time between the exit meeting and final report is limited to 1 month.	Receiving the final report sooner after the on-site inspection would enable the inspected legal entity to start earlier with remediation actions and the findings would be more up to date.	Rudorfer, Franz	Publish

9	2.2 Description of the main steps of an inspection	2.2.3. Reporting phase	13-14	Amendment	The Guide states that the final report can serve as basis for the draft follow-up letter, which is then sent even later to the inspected entity. It would be highly appreciated, if the steps within the reporting phase (as shown in Figure 2 on p. 14) could be streamlined and the report and follow-up letter could be sent at the same time.	Having merged these steps the overall process would be more efficient.	Rudorfer, Franz	Publish
7	2	2.2.3	14	Amendment	Figure 2 which shows the steps of the reporting phase, should include the determined timeframes (on inspection team side as well as on the inspected legal entities side) defined in the text to have an clear overview about the respective deadlines and the whole duration of the inspection.	A clear statement in this figure would underline the importance on both sides to keep the determined deadlines and supports the planning process in the inspected legal entity.	Rudorfer, Franz	Publish
8	2	2.3.1	16	Clarification	"In most cases an IMI will result in the second type of instrument, whereas an OSI will result in the first type". This paragraph is not clear. Clarification can be provided by stating examples for those "most cases", the other cases, respectively.	The lack of clarification on this provision leads to uncertainty of the stakeholders regarding the possible outcome of the inspection (binding/non-binding measures) as well as it disables proper timeline planning as regards to the right to be heard.	Rudorfer, Franz	Publish
9	3	2.3.2	16	Amendment	The process of providing additional documents aiming to prove the completion of remedial actions is not defined in the provisions regarding the follow-up phase.	The clarification on this topic ensures a consistent approach for all inspections and all inspected entities, which is the intention of this guide.	Rudorfer, Franz	Publish
11	2.3 Inspection outcomes	2.3.2 Recommendations and action plan	16	Clarification	The Guide states that the inspected legal entity needs to address the actions requested by ECB <i>in a timely and proper manner</i> . This does not give a very detailed guidance on the expected timeframe and documentation to be provided for implementation of the actions requested.	Having a realistic and specific timeframe for the implementation of requested actions or at least a prioritisation of topics would help inspected entities to focus on the most pressing issues and to address the actions required accordingly.	Rudorfer, Franz	Publish
12	2.3 Inspection outcomes	2.3.2 Recommendations and action plan	16	Clarification	The Guide states that the entity may be required to submit updates on the remedial action by <i>interim deadlines</i> . We would suggest to submit updates in half yearly frequency.		Rudorfer, Franz	Publish
13	2.3 Inspection outcomes	2.3.2 Recommendations and action plan	16	Clarification	We would appreciate a clear guidance on the expected involvement of internal audit in the follow-up phase.	Currently, a different approach for internal audit involvement is used during the follow-up phase of OSI	Rudorfer, Franz	Publish
19	2.3.1		15		The findings classification currently used (F1-F4) is currently not mentioned at all. Findings as inspection outcomes should be described in general, in addition a finding classification as the one currently used in the on-site practice should be reflected in the Guide as well as the aspects underlying the classification.	We would kindly request to take up also the issue of classification of findings: Findings are to be classified, the classification-logic should be standardised and set-up transparently. It should be specified who classifies and who reviews the classification in view of a harmonised treatment. It should be clarified what is concretely classified: finding/obligation/condition? How does the table on page 15 interrelate to the classification logic? For decisions: does that mean that condition = F4, obligations = F1-F3? Are also type 1 findings to be classified? If yes, this should be concretely mentioned.	Rudorfer, Franz	Publish

20	2.3.2.		14-16	<p>Within the final phase the regulator can present any recommendations or required supervisory measures to the legal entity in the form of one of two different types of instruments. The first type is a letter expressing supervisory expectations which is not legally binding. The second one is in the form of a legally binding decision. Such a follow-up letter describes the required actions which are a trigger for an action plan. According to the Guide, if the inspected entity has not implemented the agreed action plan, the ECB has the power to enforce supervisory measures. EGB proposes to formulate the follow-up phase in that sense that the non-binding nature of supervisory expectations will be considered and thus no supervisory measures will be applied in case of non-implementation of the action plan resulting from the required actions stated in the follow-up letter. Specifically the set out missing of the right to be heard underlines the non-binding nature of the "supervisory expectations". Otherwise a situation would be created where solely by not meeting of a deadline of a non binding finding could create a sanctioning process. This would not be in line with fundamental legal principles (legal certainty).</p>	<p>Following the wording of the Guide, the inspected entity can be sanctioned (the ECB can apply supervisory measures and administrative sanctions) for non-compliance with supervisory expectations described in the follow-up letter which are not legally binding. We understand that such supervisory expectation does not constitute a finding i.e. a breach of the regulation. Following the SSM Regulation, we understand that such powers can be used in case of breach of regulatory requirements (or when conditions stipulated in Article 16 SSM Regulation are met), but not in the situation when the inspected entity fails to meet supervisory expectations. More generally it is unclear how chapter "follow-up-phase" (2.3.2) interrelates to the different typing in chapter 2.3.1. This should be clarified in detail.</p>	Rudorfer, Franz	Publish
21	2.3.2.		16	<p>Regarding the official response to the follow-up letter/decision: we recommend setting a deadline of 30 days for this purpose.</p>	<p>This would allow inspected entities to adequately prepare an action plan and corrective steps.</p>	Rudorfer, Franz	Publish

22	2.3.2		16	Details on follow-up in view of findings management are missing.	In view of findings management and follow up treatment of findings we observe a wide variety of practices even within the SSM. The Guide could be used to specify the treatment of follow-up to findings concretely. In that sense the following questions could be clarified: What is the concrete policy in view of setting deadlines for the closure of findings? How is the closure process concretely set up? Should closure documentation be provided to the SSM? When should the closure documentation be provided? What concretely is expected? I.e., in some instances Internal Audit involvement is required, in others not. It would be very much appreciated that when the institution provides a closure package, that the JST then also officially confirms the closure from supervisory side. Here in some instances the JST does, in others not. In view of a proper findings handling in institutions a standardisation in this view would be very much appreciated. What concerns concretely interim deadlines: We would very much appreciate not to set up a "milestone-interim-tracking" process, but only a reporting at the point of closure of a finding, interim steps and reporting on them could be very burdensome. If interim DL are set, they should be aligned with the institution, this should be clearly stated. We also recommend setting up a framework regarding the classification of findings which in our view would increase transparency and strengthen predictability for the inspected entities. This should also apply for deep dives, thematic reviews and other findings from supervisory assessments that need to be addressed.	Rudorfer, Franz	Publish
23	2.3.2		16	We recommend introducing within the chapter "The follow-up phase" a sub-chapter dealing with the closure of findings. It should be foreseen that the supervisory authority needs to make a clear statement regarding the closure of findings. If the involvement of Internal Audit is intended to be required as a rule, it should be expressly stated by the Guide.	This is to confer a higher degree of legal certainty to the inspected entities.	Rudorfer, Franz	Publish
24	2.3.2		16	Subsequently to the comment above the Guide should state what role and responsibilities are assumed by Internal Audit in on-site inspections.	The involvement of Internal Audit units should be expressly stated by the Guide.	Rudorfer, Franz	Publish
25	3.1.		17	Right to request any information or document: The documents should be requested generally in a written form.	The requests for documents should be done in the written form to minimise possible misunderstandings.	Rudorfer, Franz	Publish
26	3.1.		17	On site inspection teams should fully rely on information available delivered to the JST, in order to avoid any duplication of requests. In general there should be full exchange of information between the on-site team and the JST. At least one member of the JST should be part of the on-site team.	This would avoid duplications and double submissions.	Rudorfer, Franz	Publish

10	3	3.3.1	20	Amendment	In the paragraph regarding the possibility to comment on the facts and findings, it is necessary to state that the comments to the Draft Report and the HoM's respond to the comments are attached to the Final Report.	The current wording leaves room for interpretation. In terms of transparency it is necessary that the process of commenting the draft report is integrated in the final report	Rudorfer, Franz	Publish
14	3.3 Inspected legal entities' rights and the supervisor's expectations	3.3.1 Right to be informed of the start of the inspection	20	Amendment	Please see comment nr. 3 (row 10)		Rudorfer, Franz	Publish
15	3.3 Inspected legal entities' rights and the supervisor's expectations	3.3.1 Possibility to comment on the facts and findings	20	Clarification	According to the Guide, the Head of Mission (HoM) finalises the draft report, taking the feedback received from the inspected legal entity into account, <i>if necessary</i> . Here it is unclear, in what cases the HoM deems necessary to take the feedback into account. If the feedback is not taken into account, receiving the reasoning behind it would be appreciated.		Rudorfer, Franz	Publish
16	3.3 Inspected legal entities' rights and the supervisor's expectations	3.3.1 Possibility to comment on the facts and findings	20	Clarification	The feedback template is almost identical to the Action Plan. Can the Action Plan format (developed by the inspected legal entity) then also be used for submitting feedback?		Rudorfer, Franz	Publish
27	3.3.1		20		Regarding the possibility to comment: commenting should not be limited to executive summary and key findings. In case of misunderstandings or misrepresentation of information, this should be commented as well; the possibility to comment should in any case also exist for type 1 instruments, also for the simple reason to avoid any mis-understanding or mis-interpretation by the on-site team, a kind of quality assurance function.	The wording should be reformulated accordingly.	Rudorfer, Franz	Publish
28	3.3.1		21		Why are there no closing meetings in the case of type 2 instruments?	This is somewhat unclear and seems not to be the practice. It should also be taken into account, that type 2 instruments could be self-initiated by the supervisor, meaning that an on-site investigation starts, but the results then end up in type 2 instruments. The clarification which type will be used at the end of the process could change over time, and can also evolve after a potential closure meeting. Therefore we would kindly invite the ECB to revisit this issue.	Rudorfer, Franz	Publish
29	3.3.3		22		The submission of documents on paper should be avoided and allowed only in exceptional cases.	In our view this kind of submission is outdated and does not reflect the current established practice.	Rudorfer, Franz	Publish
30	3.3.3		22		The creation of folders for the inspection team's in the inspected entity's IT system should also be avoided.	This does not reflect the current practice.	Rudorfer, Franz	Publish

31	3.3.3.		22		Deadlines should not be set unilaterally in general.	We propose the following rewording: "The inspected legal entities are expected to provide the required documents and files as soon as possible, when available immediately, or otherwise within a reasonable timeframe – as requested by the HoM and agreed with the inspected legal entity".	Rudorfer, Franz	Publish
32	3.3.3		22		Regarding internet access, "several" e-mail boxes?	The access to internet and technical set-up of e-mail addresses should be made subject of alignment with the institution. Please reformulate the wording accordingly.	Rudorfer, Franz	Publish
13	3	3.3.3	22	Amendment	The requirement of "providing any related information to the inspection team members by persons concerned, even without an explicit request" is very vague and does not support an efficient information exchange.	The Guideline lays down the principle of proportionality of inspections, stating that the implementation of this principle shall also facilitate the effective allocation of resources. An obligation of persons concerned to report all possibly relevant information to the inspection team will overstrain them with information in need to be processed within the (often tight) timeline of the inspection. This may have a negative impact on following the actual focus of the inspection as well as it may require extra resources.	Rudorfer, Franz	Publish
14	3	3.4	23	Clarification	Concerning the language used during the inspection it should be clearly mentioned that documents (e.g. documentation, process descriptions) in local language do not have to be translated into English. We propose to add the following phrase: " <i>The documents will be provided in local language and, only when already available, in English.</i> "	Translations of requested documents would put an extra burden on the inspected legal entity and is not (adequately) manageable considering the strict timeframe of on-site inspections.	Rudorfer, Franz	Publish
33	3.3.3		23		Regarding the right of the HoM to request a point of contact with enough seniority within the inspected entity's organisation we do believe that in fact it is the clear responsibility of the inspected entity to define its SPOC.	From organisational reasons this should be the responsibility of the inspected entity. We strongly disagree that the On-Site Team can define the counterparties and therefore exclude e.g. the SPOC from a meeting. The function of the SPOC is the overall coordination, therefore the SPOC has to be invited to each meeting. Everything else leads to confusion and creation of parallel communication channels during the inspection.	Rudorfer, Franz	Publish