



PUBLIC CONSULTATION

DRAFT ECB REGULATION ON SUPERVISORY FEES

TEMPLATE FOR COMMENTS

Name of Institution/Company	Association of Danish Mortgage Banks Interest Representative Registration ID number: 27545731905-17	Country	Denmark
-----------------------------	--	---------	---------

COMMENTS ON THE DRAFT ECB REGULATION ON SUPERVISORY FEES

Issue	Article	Comment	Concise statement why your comment should be taken on board
Annual supervisory fee payable in respect of individual supervised entities or supervised groups	10	Amendment	The Association of Danish Mortgage Banks appreciates the opportunity to comment on the draft regulation on supervisory fees. We recognize the challenging task for ECB to design a system of fees for the single supervisory mechanism. However, we would like to use the occasion to bring forward some aspects, which we find could contribute to a fair distribution of fees among the supervised entities.



EUROPEAN CENTRAL BANK

EUROSYSTEM

			<p>In general, we find that the supervisory fees should reflect to reasonably extent the ECBs use of resources with respect to the type of credit institution. Among credit institutions in EU, there are various business models represented – from commercial banks to specialized banks. For some credit institutions the numbers on their balance sheets is not necessarily proportional to the number of business areas they are involved in or the complexity of them.</p> <p>Danish mortgage banks, for example, are specialized banks that only grant loans against mortgages by issuing covered bonds. The mortgage loans remain on the balance sheet of the issuing mortgage bank until maturity. Consequently, the mortgage bank has a relatively high level of total assets in view of the “simple” business model. In comparison, a commercial bank is typically involved in a number of business areas, from acceptance of deposits to complex capital markets activities.</p> <p>The draft regulation designates total assets and risk weighted assets as the main factors in determining fees. We find that these factors represent only certain types of parameters in determining the complexity of the credit institution under supervision. Other parameters could include e.g. numbers of employees and the diversity of business areas.</p> <p>While recognizing the need for simple parameters for determining the supervisory fees, we equally find that there should be a reasonable correlation between use of resources and share of cost for the credit institutions. We encourage the ECB to take this into consideration in the further deliberations.</p> <p>We remain at you disposition for any clarifications needed.</p>
		Choose one option	
		Choose one option	
		Choose one option	



EUROPEAN CENTRAL BANK

EUROSYSTEM

		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	
		Choose one option	



EUROPEAN CENTRAL BANK

EUROSYSTEM

		Choose one option	
--	--	-------------------	--