



PUBLIC CONSULTATION
DRAFT ECB REGULATION ON SUPERVISORY FEES
TEMPLATE FOR COMMENTS

Name of Institution/Company	Italian Banking Association -ABI	Country	Italy
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COMMENTS ON THE DRAFT ECB REGULATION ON SUPERVISORY FEES

Issue	Article	Comment	Concise statement why your comment should be taken on board
Grouping of subsidiaries of parent entities outside participating Member States	Article 5(5)	Amendment	In the calculation of fees of groups whose parent company is located in participating member states all assets and liabilities of the group should be considered, including those in not participating MS. In this way, banks would reduce the costs of preparing data "sub-consolidated" and it would make the ECB Regulation neutral with respect to the choice whether to operate in other MS by means of branch or subsidiary.
Indirect costs	Article 6(2)(a)	Clarification	The provision under which the annual costs would also cover ECB expenditure indirectly related to its supervisory tasks goes too far. Indirect costs should be strictly defined.
Inclusion of damages	Article	Deletion/Amendment	The provision under which damages would be included in the costs shared among banks should be

in the determination of the overall supervisory fees	6(2)(b)		<p>deleted. ABI believes that supervised banks shouldn't bear the financial consequences of damages paid to third parties for losses directly or indirectly caused by the ECB in the performance of its supervisory tasks.</p> <p>According to article 340(2) of the Treaty on the Functioning of the EU provides in particular that damages caused by the ECB or by its servants in the performance of their duties are to be paid for by the ECB.</p> <p>As a second best alternative, ABI suggests to amend the provision by specifying that damages should be paid off first by the entity which is assigned the responsibility to fail in providing the necessary data or information and by doing so determining a violation of duty by the ECB.</p> <p>Finally, if the damage was solely attributable to the willful misconduct or gross negligence of the ECB or of its staff, they should be covered with the sanction imposed by the ECB in accordance with Regulation (EC) No 2532/98.</p>
Allocation of costs	Article 9(2)	Clarification	<p>Under Article 9(1) of the draft ECB Regulation on supervisory fees, two categories will be created for the calculation specified in accordance with Article 10: one category for significant entities and one for less significant entities. In ABI's view, Article 9(2) is too general in specifying how the costs incurred by newly created directorates-general will be allocated. The methodology for the allocation of indirect costs should be disclosed.</p>
Criterion in determining the level of the supervisory fees /	Article 10	Amendment	<p>The methodology on which the supervisory fees will be calculated should rely only on total assets (TA) criterion, thus eliminating the second criterion proposed by the ECB: the total risk exposure (TRE). This position is ultimately justified by the fact that in the current state the RWA are not harmonized among participating member states.</p> <p>In addition, the methodology should consider the increased complexity in the conduct of supervision related to the banking group with operations in different third countries. Should be considered the</p>



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			possibility of applying lower fees for banks with more than 75% of their assets within participating member states.
Accountability	Art. 18(1)	Addition	The ECB will meet twice a year with joint representatives of major European Federations of Banking associations to discuss the envisaged evolution of the structure and the amount of the annual supervisory fees.