

## Template for comments

### Public consultation on the Review of the ECB Regulation on supervisory fees

#### Institution/Company

German Banking Industry Committee (Die Deutsche Kreditwirtschaft)

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#### General comments

## Template for comments

### Public consultation on the Review of the ECB Regulation on supervisory fees

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:

ID	Article of the regulation	Page	Type of comment	Detailed comment	Concise statement why your comment should be taken on board
1	5 (1)	28	Other	<p>"The annual costs shall be the basis for determining the annual supervisory fees and they shall be recovered via the payment of such annual supervisory fees."</p> <p>We should like to point out that since November 2014 the ECB supervisory fees have meant an additional cost factor for all institutions. The supervisory costs attributable to, and distributable among, significant institutions have, when comparing fee periods, risen in by approx. 35.4 % in 2016/15 (calculated on a 12-month basis) and between 2017/16 by about 9.5%. Because of the persistent low-interest environment, the regulators are asking the institutions increasingly about securing alternative income sources and/or business models. We should like to ask the supervisory authorities to make their contribution to positive business performance by moderating their own costs, now that the SSM structures have been established.</p>	We would like to ask the ECB to monitor the movement of the allocable costs.
2	10 (4) S. 3 + (6) c)	28/29	Other	<p>"The sum of all fee debtors' total assets and the sum of all fee debtors' total risk exposure shall be published on the ECB's website."... The variable fee component is allocated to individual fee debtors in each category according to each fee debtor's share of the sum the weighted fee factors of all fee debtors as determined pursuant to paragraph 3.</p> <p>Experience has shown that the ECB has posted the sum of all fee debtors' assets and the sum of the total risk exposure of all fee debtors initially on the English website and at later dates on the other websites.</p> <p>We suggest posting the information on the internet sites at the same time and/or cross-referencing them.</p>	The proposal serves to enhance the transparency of the calculation process.

3	10 (3) b) in conjunction with (4) sentence 1	28	Amendment	<p>We are of the opinion that, as a first step, the ECB should ask the fee debtor whether the supervised group has pursuant to Art. 10 para. 3 (b) decided that the assets of subsidiaries located in non-participating Member States and third countries, which are basically not to be taken into account, shall, contrary to the principle, on grounds of simplification and costs be taken into account. If this is the case, the submission as at 1 July each year of the fee factors (total assets; RWA) by the fee debtors that have resolved this can, in our opinion, be waived. The fee factors are already known to the ECB from the FINREP/COREP reporting – cf. also the references in the templates. (Amendment to Art. 10 para. 4 sentence 1). An additional report from the institutions and submission through the NCAs can in these cases be dropped.</p> <p>The step of quality assurance/verification through PASOS (ECB makes available; institution ensures quality) can be retained. [cf. Art. 4 para 2 of the Decision 2015/530 of the ECB of 11 February 2015 on the methodology and procedures for the determination and collection of data regarding fee factors used to calculate annual supervisory fees (ECB/2015/7)].</p> <p>For collecting the fee factors in 2017, the Bundesbank is, for the first time, on grounds of efficiency, providing institutions obliged to report with the use of a reporting template pre-completed by the regulator. This procedure is being carried out in Germany, but not the whole SSM.</p> <p>Simplifications in the reporting process and an EU-wide implementation are desirable. We suggest, therefore, to let the step of quality assurance/verification through PASOS (ECB makes available; institution ensures quality) for the procedure provided by the Bundesbank and proposed by us lapse [cf. Art. 4 para 2 of the Decision 2015/530 of the ECB of 11 February 2015 on the methodology and procedures for the determination and collection of data regarding fee factors used to calculate annual supervisory fees (ECB/2015/7)], as agreement on the relevant data has already been reached by other means.</p>	Procedural simplification for institutions and NCAs (time and cost savings). The proposal serves to simplify the reporting procedure.
4	10 (6) b)	29	Clarification	"... For significant supervised entities and significant supervised groups with total assets of EUR 10 billion or less, the minimum fee component is halved." It would be reasonable to assume that the remaining 50% will increase/make more expensive the basis of assessment for the variable fee component. If this is the case, clarification would be desirable at this point.	The proposal serves to enhance the transparency of the calculation process.
5	10 (6) b)	29	Clarification	"... 10 %. This amount is split equally among all fee debtors..." To estimate the ECB supervisory fee for the factor "all fee debtors", the ECB advises to refer to the current list of supervised institutions. With regard to the determination of the ECB supervisory fee, it is not transparent what number of institutions on which reference date (31 December of the preceding year analogous to the assets/risk exposure or 1 July according to the current fee debtor return or a yearly average) the ECB uses as a basis to determine the ECB supervisory fee. We request clarification.	The proposal serves to enhance the transparency of the calculation process.
6	12 (1)	29	Clarification	<p>"A fee notice shall be issued annually by the ECB to each fee debtor".</p> <p>The ECB's notice contains information on:</p> <ul style="list-style-type: none"> <li>- the level of the minimum fee component,</li> <li>- the level of the variable fee component,</li> <li>- the fee period,</li> <li>- the category "significant" or "less significant",</li> <li>- a reference to the location showing all the supervisory fees to be levied,</li> <li>- the total assets and the total risk exposure.</li> </ul> <p>The notice contains no enclosures/detailed explanations of the calculation/determination (analogous to tax notices or contributions to the resolution fund). In our opinion, there is a lack of transparent derivation/transition to the fee components with due regard to information on the number of supervised institutions (minimum fee component), the basis of assessment for determining the variable fee components (cf. remarks on 4) and the total assets of subsidiaries in non-participating Member States and third countries that were definitively excluded.</p>	The proposal serves to enhance the transparency of the calculation process and notifications.
7			Other	We ask why, for the calculation of the ECB supervisory fee, doesn't the ECB lay down transparent parameters accessible to all and, if need be, make adjustments/customisations retroactively/at the next payment/settlement date. The institutions' budget processes could fall between April and October. The institutions would not have to provide any extra factors. The NCAs would be relieved.	Procedural simplification for institutions and NCAs (time and cost savings). The proposal serves to simplify the reporting procedure.

8			Other	<p>On both the English and the German website there is shown under the heading "fee debtor" a "simplified" fee debtor notification form.</p> <p>Clarification as to when the simplified form is to be used would be helpful.</p>	The proposal serves to enhance the transparency of the calculation process.
9			Other	<p><u>Governance process for determining SSM fees:</u>  We propose a supervisory committee to monitor fees/budget in the future. The institutions should be represented here too. Previous ECB references to the budget responsibility of the ECB Council and the Budget Committee (BUCOM) are, in our view, insufficient, since these processes do not ensure any effective budget control involving external stakeholders. At present, external auditors and the European Court of Auditors become involved only for the downstream audit of the ECB budget. We do not agree with the ECB's hitherto objection that a supervisory board filled with representatives from the institutions contradicts recital no. 75 of the SSM Regulation. An involvement of stakeholders exclusively in the budget and fee assessment does not mean any actual restriction of independence from the influence of the industry.</p>	The proposal serves to improve the procedure for setting the SSM fees.
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