

## Template for comments

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

#### Institution/Company

EACB - European Association of Co-operative Banks

#### 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

## 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)	13	Clarification	In the draft Regulation it is provided that "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." With the inception of the SSM in 2014, the ECB supervisory represented an additional cost for all institutions. The supervisory costs attributable to, and distributable among, significant institutions have been steadily increasing since. In the persistent low-interest environment, where institutions are required to secure alternative income sources and/or adjust their business models, it would be consistent if the supervisor came to an established "steady state" cost structure now that the SSM processes have been established.	We would suggest ECB to attentively monitor the dynamic of allocable costs.
2	10	15	Clarification	For the sake of increased transparency the ECB could provide the sum of all fee debtors' assets and the sum of the total risk exposure of all fee debtors on all the available languages at the same time, or cross-referencing them, rather than doing so in a first step in the English version and later in the other languages.	Enhancement of transparency of the calculation process.
3	10(3),(4)	15	Amendment	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 not to be taken into account) are rather to be considered on the basis of simplification and costs consideration. If this is the case, the submission as of 1 July each year of the fee factors (total assets; RWA) by the fee debtors that take this decision can be waived. Indeed, the fee factors are already known to the ECB from the FINREP/COREP reporting. An additional report from the institutions and submission through the NCAs would in such cases be redundant. The step of quality assurance/verification through PASOS (ECB makes available; institution ensures quality) can be retained.  Simplifications in the reporting process and the implementation of pre-compiled templates could be considered.	Procedural simplification for institutions and NCAs (increase process efficiency and cost saving).
4	10(6)(b)	16	Clarification	The draft regulation indicates that "... For significant supervised entities and significant supervised groups with total assets of EUR 10 billion or less, the minimum fee component is halved." It should be clarified whether this would imply an increase/make more expensive the basis of assessment for the variable fee component.	Such information is necessary to have full transparency on the fee calculation process.
5	10(6)(b)	16	Clarification	"... 10 %. This amount is split equally among all fee debtors..." To estimate the ECB supervisory fee for the factor "all fee debtors", reference is made to the current list of supervised institutions. It should however be clarified what number of institutions and at which reference date is to be considered (i.e. 31 December of the preceding year as per the assets/risk exposure or 1 July according to the current fee debtor return or a yearly average).	This would enhance the transparency of the calculation process.
6	12(1)	16	Clarification	"A fee notice shall be issued annually by the ECB to each fee debtor". The ECB's notice contains information on: - the level of the minimum fee component, - the level of the variable fee component, - the fee period, - the category "significant" or "less significant", - a reference to the location showing all the supervisory fees to be levied, - the total assets and the total risk exposure.  However, the notice contains no detailed explanations of the calculation (as opposed to contributions to the resolution fund). Clarity should be provided with 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. To increase transparency it would be very useful to receive a calculation formula with individual figures in the fee notice.	This would enhance the transparency of the calculation process and of the notification.
7	10	16	Clarification	The ECB could provide in an accessible way the final clear set of parameters that led to the calculation of the fee for each institution. Adjustments could be performed retroactively at the following payment/settlement date. The institutions' budget processes could fall between April and October. The institutions would not have to provide any extra factors. Also the NCAs would be relieved.	This would represent a procedural simplification for institutions and NCAs.
8	General			In the context of a governance process for determining SSM fees an approval and supervisory committee could be established for the approval and monitoring of fees/budget in the future. The committee should be designed to approve the estimated annual costs as well as any deficit from the fees. In situations where the ECB expects the annual costs to exceed the approved budget, the expected deficit should be subject to an approval process in advance, before the costs occur. In this process the ECB should lay down the reasons for the overrun of costs accompanied by a cost-benefit analysis. In such a committee, also the institutions, the NCAs and the European Court of Auditors should be represented. The NCAs have gained over the years relevant experience in supervision and are also independent. Such a procedure as well as the involvement of the institutions within this committee would also satisfy the principle of proportionality where the indirect costs which occur from the supervision of institutions would also be subject to a cost-benefit analysis. In addition the institutions' understanding of the relevance of supervisory actions could be enhanced through such a process. External auditors and the European Court of Auditors are now involved only for the downstream audit of the ECB budget. An involvement of the industry limited to the issues stemming from the supervisory fees and costs would not be against Recital 75 of the SSM Regulation. An involvement exclusively in the budget and its assessment would not entail any sort of restriction of independence from the influence of the industry.	This would increase transparency without touching upon the independence of the supervisor.
9					
10					
11					
12					
13					
14					