

Sofia, 08.XI.2010

Attn.: Committee of European Banking Supervisors

Re: Consultation paper on the Guidebook on Internal Governance (CP 44) dd 13 October 2010

Ladies and Gentlemen,

The Consultation paper is very useful for my researches in Corporate governance. Described below is my point of view. My comments are not critical and I believe – fruitiness.

The crisis reflected old issues and requires new points of view. The Consultation paper is anchor for sound bank system. The Guidebook will constitutes the EU as safe harbor.

Implementation of Guidebook does not amends or supplements the “OECD Principles of Corporate Governance Principles” and “Principles for enhancing corporate governance” by Basel Committee on Banking Supervision. Guidebook will stimulates change in National codes of Corporate governance for common European practices.

The focus of the Guidebook is limited to internal governance. Nevertheless I will include the rest elements in analytical method **SMART** (**S**hareholders, **M**anagers, **A**uditors, **R**egulators, **T**ools).

Shareholders organise the internal control. The report by internal control for control functions must be presented to Annual General Meeting and not to the management body as stated in point 119.

Managers must report to Regulators at least annually for monitoring and assessment the effectiveness of the institution’s governance (point 95). There is need to clarify in the point 33 the minimum of independent members for example at least 1/3. Managers should have knowledge of corporate governance additionally to their expertise and experience (point 61).

Auditors must control for the written documents for sound and prudent management (point 43) and for minimum expected time commitment for all members of the management body (point 58).

Regulators will implement the Guidebook and control the compliance. Periodically revision of Guidebook are welcome.

Tools are checks and balances for sound governance practices. In complex structures, for example, listed parent bank and non-listed subsidiary or parent bank in Eurozone and subsidiary outside the Eurozone, the managers of subsidiary will operate in compliance with local requirements and risks (point 39) and national regulators must obtain more power.

The Guidebook is the first step for common European practices in Corporate Governance. My comments are little contribution for this common European practices.

Thanks for your kind attention!

Sincerely yours,

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