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European Banking Authority  
By email to:  
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## **The CEBS Consultation paper on Guidebook on Internal Governance (CP44)**

The Swedish Bankers' Association welcomes the opportunity to comment on CEBS consultation paper concerning the Guidebook on Internal Governance.

As a member of the European Banking Federation (EBF) we support the conclusions in the EBF response to the consultation paper. However, from the perspective of Swedish banks we want to emphasize the following.

Generally it is encouraging that the Guidebook is designed to fit different governance structures. One has, however, to bear in mind that there are more than the one-tier and the two-tier model. The Swedish corporate governance model is distinct from both the one- and the two-tier model. It is characterised by the three mandatory decision-making bodies (in hierarchical order the shareholders meeting, board of directors and the CEO) and a controlling body (the statutory auditor) appointed by the shareholders meeting.

Given this, we believe the guidebook is too detailed to suit all legal corporate structures even though the principle of proportionality in paragraph 22 applies to all guidelines. In practice it may be difficult to successfully implement and to enforce e.g. detailed requirement of personal characteristics. We therefore want to emphasize the importance of implementing principles that are flexible enough to fit all governance structures.

Another example is paragraph 33 which stipulates that an element of strong governance is to have independent members on the management body (e.g. non-executives who are independent of the subsidiary and of its group, and of the controlling shareholder). We believe that such a rule must include a certain degree of flexibility. There are obviously cases where an external member is needed from a consumer perspective, but one must remember that all businesses in a financial group are not included in the financial core business. There are several examples, where one is if a company is taken over by a pledge. A detailed Guidebook may not be the answer but rather principles on a non-binding basis.



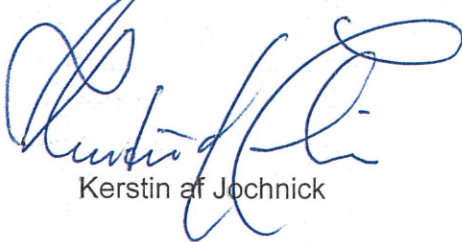
We would also emphasize the CEBS to regard the ongoing work in this area at EU-level when assessing the need for further regulations.

Furthermore we believe it is most important to give the institutions enough time to implement new rules. New rules that involve not only changes in systems and routines but also changes in the institution's policy agenda requires a longer time for implementation. We therefore believe that the end date, 30 September 2011, should be extended.

Finally we believe that paragraph 85 should be removed. Even if some member states have opened the possibility for whistler-blower, we believe this is an internal company matter which is not suitable to regulate in a Guidebook on Internal Governance.

Kind regards,

SWEDISH BANKERS' ASSOCIATION



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