



# BRITISH BANKERS' ASSOCIATION

**Piners Hall  
105-108 Old Broad Street  
London EC2N 1EX**

Mr Andrea Enria  
Secretary General  
Committee of European Banking Supervisors  
Tower 42 - 18<sup>th</sup> Floor  
25 Old Broad Street  
London EC2N 1HQ  
By email to: CP01rev@c-eps.org

Tel: +44 (0) 20 7216 8800  
Fax: +44 (0) 20 7216 8811

18 June 2007

Dear Mr Enria

## **BBA RESPONSE TO CEBS CONSULTATION PAPER (CP 01Rev) ON AMENDMENTS TO ITS CONSULTATION PRACTICES**

The British Bankers' Association (BBA) is the principal banking and financial services trade association in the United Kingdom representing more than 220 banks, engaged in a variety of activities covering all major asset classes. The BBA has responded, and continues to respond, to CEBS' various consultations, particularly those on aspects of the implementation of the Capital Requirements Directive.

75% of the BBA's members are of non-UK origin, representing 60 different countries. Many of these are banks from other European jurisdictions or banks from elsewhere who have chosen London's international financial centre as their headquarters for their European operations. These EU and international entities, as indeed does the BBA, welcomes the presence of CEBS in London and its role in shaping the regulatory landscape in Europe. We support the moves toward supervisory convergence and co-operation, and the part that CEBS plays in harmonising regulatory standards in the EU. The review of CEBS' consultation practices is welcome at this time.

I set out below a number of comments on the revised framework proposed by CEBS.

### **General Considerations**

The BBA and its members broadly welcome the proposed revisions to CEBS' consultative practices as set out in CEBS' paper.

### **Areas of Consultation**

We welcome the greater clarity through the additions in Articles 4 and 5, as well as the intention to subject CEBS' proposals to an impact assessment methodology. The BBA will be happy to comment on the form and substance of such an impact assessment.

### **Modes of Consultation**

We would comment that we are broadly satisfied with the way in which CEBS consults interested parties, notably through the use of the Consultative Panel, and through industry

Document1 19 June 2007

hearings. We recognise that the process of CEBS consulting its Members is also a well embedded one. We would also suggest that CEBS considers, prior to the launching of formal consultation, a further refinement of its practices. This would be the holding of ad hoc roundtables with market practitioners, ahead of the launch of a formal consultation.

The purpose of these would be to obtain specific technical observations on a particular issue from a wide range of market participants, in an informal, but transparent way. This would then in turn inform CEBS Members ahead of themselves developing a view about a particular issue. We recognise that the Consultative Panel already undertakes an important role in relation to inputting market feedback into CEBS, but we are not entirely convinced that this is always sufficiently focussed on ensuring that a complete and well-considered market view prevails. The BBA has substantial experience of organising these industry roundtables and we can assist CEBS in their development.

### **Timing of Consultations**

We are broadly satisfied with these. One unsatisfactory aspect remains, however, the imposition of tight deadlines on CEBS, for instance for the development of advice to the Commission at Level 2. This in turn has a knock-on effect on the ability of market participants to respond.

### **Amendment to standard consultation practice**

We support the variation in CEBS' consultation practices to supplement the standard consultation practice with the addition of limited and drafting amendment consultations, as outlined in the Annex to the paper. We agree that it ought to be possible to turn around these in a shorter time frame than that for the standard consultations. We agree, in particular, with the formulation in paragraph 5 (e) of the Annex that there should be a call back mechanism for limited amendments and in paragraph 6 (c) that the Consultative Panel is involved in the process for approving drafting amendments.

We would ask for clarification in paragraph 8 of the Annex, as to what is exactly meant by changes to CEBS Guidelines being effected only once a year. Does this signify that CEBS will store up a number of potential changes to its measures, before issuing them at a single juncture, or does this mean that change will only be made at a minimum of yearly intervals.

If you require any further clarification of our comments, please contact Alex Merriman on (020) 7216 8901, or via e-mail to [alex.merriman@bba.org.uk](mailto:alex.merriman@bba.org.uk).

Yours sincerely



Alex Merriman  
Director, Wholesale & Regulation