



**Committee of European  
Banking Supervisors**

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## **Consultation Paper 01 : Draft Public Statement of Consultation Practices**

Ladies, Gentlemen

The European Association of Cooperative Banks (EACB)<sup>1</sup> welcomes the CEBS's decision to establish a transparent framework for its consultations. This framework will ensure a high degree of transparency and certainly promote a high degree of credibility.

It is appreciated that CEBS intends to benefit from the expertise of the market participants and that consultation is not only to contribute to improve the understanding of the committee's work but also to help to build consensus, where possible, between parties. The EACB and its member organisations are willing to contribute in a competent and constructive manner to these processes.

The EACB equally welcomes the intention of the CEBS to target the full range of interested parties for consultation. In fact, the European banking market is characterized by a high variety of competing business concepts. While there can be no doubt that their business model has to stand any test of competition, co-operative banks strongly underline that supervisory legislation and practices should be fully neutral regarding business concepts. To contribute their share, the EACB and its member organisations stand ready at any time to explain the particularities of their decentralized co-operative banking-groups.

Due to the specificities of Europe's co-operative banking groups on one hand and their high market share on the other hand, the EACB would appreciate if –in principle- there would be at least one expert from a co-operative banking group when CEBS establishes a consultative group of experts. Such practice would equally seem desirable for high-level groups.

The members of the EACB appreciate that CEBS intends to consult on a very wide spectrum of its work. The Association regrets however that CEBS's work in the field of enhancing supervisory cooperation, including the exchange of information, is to be excluded from consultation. Certainly, cooperation between supervisors implies very technical issues as well as highly political aspects, which may appear inappropriate for consultation. However, arrangements for the cooperation between supervisors may have an immediate impact on credit institutions, their rights and their obligations. Furthermore, we think that the efficiency of supervisory cooperation processes, as well as its improvements and shortcomings should

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<sup>1</sup> The European Association of Co-operative Banks represents over 4.500 co-operative credit institutions active in all the EU Member states and serving over 100 Million customers. Its member organisations are decentralised national networks of small-sized Co-operative banks' networks, which have a strong presence on a local or regional level. They account for a large part of the SME and private household credit market (17%) and thus play a crucial role within the Internal Market.



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not be carved out. Credit institutions should have the opportunity to suggest improvements at any time and supervisory cooperation should not be excluded from public discussion.

As regards the mode of consultation, it is appreciated that CEBS intends to produce reasoned consultative proposals that reflect all issues at stake and, whenever possible, take into account the possible impact of the measures envisaged. When doing so, it should be borne in mind that there banks of all sizes as well as banking-groups, which are highly decentralized.

It is equally appreciated that CEBS wants to start consultation at a very early stage, since this will allow a wide discussion of issues. As regards the time frames for consultations, CEBS should bear in mind that it works only in one of the EU's 20 official languages. Many technical experts do not practice their English every day. Too short delays for consultation could therefore have discriminating effects, in particular for smaller banks.

The EACB is looking forward to a fruitful and constructive dialogue with the CEBS.

Yours sincerely

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