



REALKREDITRÅDET  
ASSOCIATION OF DANISH MORTGAGE BANKS

By e-mail

CEBS

19 June 2008  
H 520 - jcg/msp

**Consultation paper on CEBS's technical advice to the European Commission on options and national discretions**

On 22 May 2008, CEBS published a consultation document on "options and national discretions". Realkreditrådet<sup>1</sup> has been reviewing those points in the hearing document that concern the articles, which it commented on in 2007. Realkreditrådet would like to comment further, cf. below.

In the coming months, we will be reviewing the material, including the proposed initiatives in regard to various annexes etc., and we will be forwarding any further comments to the hearing document.

**19. Standardized approach, Article 80,3 and Annex VI, Part 1, Point 24 (Directive 2006/48/EC)**

Realkreditrådet considers it to be significant that there will be access to use the method based on the credit quality of the central government. Thus, the maintenance of the proposed solution according to which the national discretions is kept in its present form would be satisfactory.

**22. Standardized approach, Article 83,2 (Directive 2006/48/EC)**

The proposed solution, where the text in the CRD remains unchanged and the rule is implemented in all countries would be satisfactory.

**37. Standardized approach, Article 84,2 (Directive 2006/48/EC)**

The proposed solution, where the text in the CRD remains unchanged and the rule is implemented in all countries would be satisfactory.

**60. Op Risk, Article 102.4 & Annex X, Part 4, Points 1 and 2 (Directive 2006/48/EC)**

We consider the proposed solution, where all credit institutions are given the possibility to use a combination of methods, satisfactory.

**67. Qualifying holdings, Article 122.2 (Directive 2006/48/EC)**

Realkreditrådet supports the proposed solution.

**71. Transitional, Article 154.2 (Directive 2006/48/EC)**

The hearing document proposes that the transitional schemes are maintained in the Directive until expiry. A number of Danish mortgage banks have already begun using the internal methods, but due to sequential implementation cf. article 85.1 possibly not for all areas yet.

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<sup>1</sup> Realkreditrådet is the trade organization for the Danish mortgage banks. At the end of 2007, the member mortgage banks had a total lending of approx. DKK 2,080 bn. corresponding to approx. EUR 280bn

Realkreditrådet finds it important that the transitional rules will also apply to these mortgage banks in connection with the sequentially implementation of internal methods in subsequent areas.

**72. Transitional, Article 154.3 (Directive 2006/48/EC)**

Cf. item 71.

**75. Transitional, Article 155 (Directive 2006/48/EC)**

Realkreditrådet finds that this rule should also apply after the expiry of the transitional period.

**81. Trading book, Article 18.2 and 3 (Directive 2006/49/EC)**

We support the proposed initiatives in regard to both article 18,2, which will be an option for credit institutions, and article 18,3, which is preserved in its current form.

**82. Trading book, Article 19.2 (Directive 2006/49/EC)**

The mentioned regulation has been implemented in the Danish Capital Adequacy Order. Realkreditrådet considers it important that the proposed text is implemented to make it a general rule for credit institutions, cf. the proposed reformulation of article 19,2.

**84. Trading book, Article 26 (Directive 2006/49/EC)**

Realkreditrådet supports the proposed implementation where no changes are made to the Directive.

Best regards,

A handwritten signature in blue ink, reading "Jens Chr. Gerckens".

Jens Chr. Gerckens