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Your ref., Your message of Our ref., person in charge Extension Date

BSBV 115/Horvath 3141 20 January 2016

**EBA Consultation on Guidelines regarding Communication between competent authorities supervising credit institutions and statutory auditors**

The Division Bank and Insurance of the Austrian Federal Economic Chamber, as representative of the entire Austrian banking industry, appreciates the possibility to comment on the above cited consultation and would like to submit the following position:

**Ad Question 5: Scope of the information shared**

In our view the type of information to be shared between competent authorities and auditors should be limited to the cases expressly stipulated in Art. 63 (1) CRD IV and in the national banking acts of the Member States implementing the CRD IV provisions and which constitute the auditor´s duty to report.

The examples of issues on what information could be shared mentioned in Annex I of the Draft Guidelines go beyond the auditor´s duty to report as stipulated in Art. 63 (1) CRD IV and in the respective national implementing acts of the Member States. Furthermore, we are of the opinion that the concept of “in-depth communication” established by the Draft Guidelines in connection with the type information to be shared as mentioned in Annex I of the Draft Guidelines will grant competent authorities powers which are not in accordance with the requirements of Art. 12 (2) of the Audit Regulation for statutory audit of PIEs. The framework set by Art. 12 (2) of the Audit Regulation does, in our view, not cover the comprehensive type of information which is supposed to be exchanged between competent authorities and statutory auditors. This conclusion is also based on the fact that, according to Recitals 22 and 23 of the Draft Guidelines, competent authorities may solely decide whether it is necessary or not to apply in-depth communication.

**Ad Question 7: Participants in the exchange of information**

We recognise the importance of developing communication and dialogue between auditors and competent authorities. We acknowledge the fact that there may be cases where it might not be appropriate to involve the credit institution in such communication. However, considering the fact that the supervised credit institution is and should remain the main source of information for both the auditors and the competent authorities, we are of the opinion that the exchange of information should as much as possible be in the form of a **trilateral communication** between the competent authority, the auditor and the credit institution, in order to avoid any risk of misunderstanding or miscommunication.

In case of bilateral communication between the auditor and the competent authority, the information to be disclosed by the auditor to the competent authority, or vice-versa, should in principle have already been discussed with the management of the credit institution.

We ask you to give our remarks due consideration.

Yours sincerely,

Dr. Franz Rudorfer

Managing Director

Division Bank and Insurance