



ASOCIACIÓN ESPAÑOLA DE BANCA

DRAFT GUIDELINES ON SUPERVISION OF SIGNIFICANT BRANCHES

With regard to the European Banking Authority consultation on its draft guidance on supervision of significant branches, published last December 20th, 2016, The Spanish Banking Association (AEB) welcomes initiatives to harmonize supervisory practices and achieve consistency within the framework of supervisory colleges and does appreciate the opportunity to provide arguments on the different issues included in the draft guidance.

The AEB, a member of the European Banking Federation (EBF), has participated in the preparation of EBF's response to this consultation and shares the majority of its main messages. Nevertheless, AEB has prepared its own response in order to make reference to their associates as regards of the first question raised in the consultation.

Q1. What are the respondents' views on the overall approach to the organisation of supervision of the subset of significant branches with particular importance to the group or institution or to the financial stability in the host Member State (significant-plus branches)?

The Spanish Banking Association support the EBF's approach as regarding to the need to ensure the harmonization of supervisory practices and achieve consistency by specifying how the consolidating supervisor, the home and the host competent authorities should, within the framework of supervisory colleges established either under Article 116 or under Article 51(3) of Directive 2013/36/EU, cooperate to carry out prudential supervisory tasks.

However, EBA must clarify and adequately define the scope. In that sense, the Spanish Banking Association considers the proposed guidelines as relevant and necessary if their scope is extended to a larger perimeter than the Banking Union (for branches of SSM institutions located outside the SSM, or for branches of outside SSM institutions located within the SSM). Ideally their scope should be extended to the EEA to fit with the CRD IV scope. The EEA includes markets where the supervisory authority is not caught in the SSM and thus where coordination between supervisors and harmonisation of supervisory practices are not ensured.

We welcome the EBA initiative which requires an intensified supervision for certain branches (significant-plus branches), as this means a relevant step to foster the harmonization of the supervisory practices.

Indeed, this piece of regulation would only reduce the current gap between the intensive supervision, which applies to any subsidiary and the supervision that applies to a branch in the same host county.

As a matter of principle, to guarantee the level playing field among banks, it is needed that the supervisory intensity depends on the risk profile of their operations and exposures, rather than the statutory organization thorough subsidiaries or branches.

Finally, we would like to stress that with the view expressed in this paper, we are not proposing to modify the tasks and responsibilities conferred on the consolidating supervisor and the home and host competent authorities by Directives 2013/36/EU or 2014/59/EU.