

The Basel Committee on Banking Supervision Secretariat
Bank for International Settlements,
CH-4002 Basel, Switzerland.
Per E-mail: baselcommittee@bis.org

Date 31 juli 2012
Reference BR1716

Subject: NVB response to consultation "A framework for dealing
with domestic systemically important banks

Dear Sir, Madam,

The Netherlands Bankers Association¹ (NVB) appreciates the opportunity to comment on the proposal for a framework for domestic systemically important banks (D-SIBs). In general, we believe that such a framework could enhance the stability of the national banking sectors. We therefore support the framework.

We do believe, however, that the framework should be seen and implemented within the broader scope of the different regulatory initiatives that are currently being undertaken. This relates to Basel III (CRDIV), crisis management proposals, bank tax, improved day-to-day supervision and deposit guarantee schemes. All these measures aim to improve the financial stability and to reduce undesired risk taking by banks.

Given the expected impact the aforementioned initiatives will have on banks and supervision in terms of enhancing the resilience of individual banks as well as the financial system as a whole, we would like to stress the following regarding the principles for the D-SIB framework:

- *National discretion*: We agree with the principles that systemic relevance can best be assessed at the national level. This however does not mean that national authorities should have full discretion on the methodology they use; supervisory convergence should be sought. The Basel principles should state more clearly what minimum principles of the methodology should be.
- *No additional requirements*: in the document it is stated that "In addition, national authorities should put in place any additional requirements and other policy measures they consider to be appropriate to address the risks posed by a D-SIB". In our view, this provides the national authorities unlimited leeway to add measures where they see fit. This would essentially lead

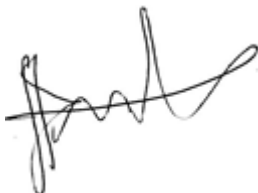
¹ The Nederlandse Vereniging van Banken (NVB) is the representative voice of the Dutch banking community with over 90 member firms, large and small, domestic and international, carrying out business in the Dutch market and overseas. The NVB strives towards a strong, healthy and internationally competitive banking industry in the Netherlands, whilst working towards wider single market aims in Europe.

to an unlevel playing field. We believe that it should not be possible for the national authority to go beyond the surcharge and put in place additional measures. It is either or.

- Recovery & Resolution plans (RRPs): we believe that the quality and contents of RRP's should be taken into account by competent authorities. If the RRP is solid and takes into account all different risks, possible problems and solutions, this should mean that a surcharge could be decreased or might not be required at all.
- National authorities: It should be made clear who the national authorities are. In most cases it will be the national supervisor. But if the national authorities are obliged to take the RRP's into account when deciding on the add-on, this would fall under the scope of the resolution authority. Given the confidential nature of the RRP's it can't be both. The same can be stated on the colleges. Are these the supervisory colleges, the resolution colleges or the crisis management colleges?
- Home-host relations: when discussing domestic relevance and surcharges, it should be made clear in the arrangements which party has the final say in deciding on the surcharge. It should be made clear that the home authority has the final word in this matter. If a dispute remains, it should be made possible to take the issue up before an independent body (be it Basel or EBA).

To conclude, in general we support the framework for D-SIBs, but do have concerns regarding the national discretion authorities are granted in the implementation of the framework. Should you require any further information, please do not hesitate to contact us.

Kind regards,



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