



EUROPEAN CENTRAL BANK
EUROSYSTEM

Template for comments

Public consultation on the draft ECB Regulation amending the Regulation on payments statistics

Institution/Company

Association of Foreign Banks in Germany

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General comments

Dear Sir or Madam,

We appreciate the ECB's policy to hold public consultations prior the adoption of new statistical reporting requirements and we gladly take this opportunity to present our thoughts on the draft ECB Regulation amending Regulation (EU) No 1409/2013 of the ECB dated 28 November 2013 on payments statistics.

The Association of Foreign Banks in Germany represents the interests of currently more than 200 foreign banks and other financial services institutions which operate in Germany via subsidiary or branch. Many of our member institutions classify as payment service providers (PSPs) and are already obliged to report statistical information on payment transactions to the competent national central bank (NCB), i. e. the Bundesbank.

It must be stated that the community of reporting agents is deeply concerned and discouraged by the fact that the ECB draft still entails data overlaps between the content of the planned statistical reporting requirements related to fraud in the payment transactions and the EBA guidelines on fraud reporting under the Second Payment Services Directive (PSD2). In the past, the Association and certainly also many other stake-holders raised the issue of redundant overlaps, especially in the course of the cost-benefit analysis the ECB conducted a via the NCBs by the end of 2018. Although it is said in the answer to question 10 of the ECB's FAQ that many efforts have been made to align the statistical reporting with the reporting according to the EBA Guidelines, certain reasons would have led to decision to implement an own section of statistical reporting on fraud (for example, certain breakdowns would not be available in the requirements of the EBA guidelines). Despite all concerns raised by the relevant stake-holders in the past, the reporting agents will now face two separate reporting requirements on payment transactions. This will impose unnecessary costs and bureaucratic burdens to the reporting agents. Especially in the times of economic downturn following the Coronavirus pandemic, this will burden the profit situations of many banks and payments institutions.

Therefore, the Association strongly recommends to reduce the scope of the reporting requirements.

We hope, these insights will be helpful for the finalisation of the ECB regulation. Please do not hesitate to contact us if you have any questions.

Kind regards,

Dr Andreas Prechtel Andreas Kastl

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Please enter all your feedback in this list.

When entering feedback, please make sure that:

- each comment deals with a single issue only;
- you indicate the relevant article/chapter/paragraph, where appropriate;
- you indicate whether your comment is a proposed amendment, clarification or deletion.

Deadline:	7 May 2020
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ID	Chapter	Article	Paragraph	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data
1	Regulation	4	3	4	Amendment	In the current draft version, NCBs shall be allowed to grant derogations to certain reporting agents if two conditions are fulfilled cumulatively. Instead, the two conditions should be seen as alternative grounds for a derogation; therefore, the word "and" should be changed into a "or".	In the case ECB follows our proposal, NCB's will obtain a larger flexibility to determine to which reporting agents a derogation could be granted in the meaning of para. 1 ("proportionality"). If both conditions are kept cumulative, then there will be quite few reporting agents benefiting from a derogation.	Kastl, Andreas	Publish
2	Regulation	4	5	5	Amendment	After the annual verification of given compliance with the conditions set out in paragraphs 2 and 3, NCBs shall grant or withdraw derogations and give in both cases an implementation period to the reporting agent: "(...), if necessary, any derogation with effect from the start of the second successive calendar year." This should be amended and differentiated: the granting of a derogation should become applicable rather directly from the start of the successive calendar year and the withdrawal of a derogation should be followed by the envisaged period, i. e. from the start of the second successive calendar year.	The amendment would be in line with the proportionality principle as set out in para. 1. Reporting agents that lose their derogation will then have more than 12 months to establish and implement reporting systems and controls for the full reporting; and reporting agents that newly benefit from a derogation could directly benefit from the alleviated scope of reporting.	Kastl, Andreas	Publish

3	Regulation	8	1	5	Amendment	Acknowledging that reporting agents will be burdened with highly complex implementation projects, the reporting to the ECB shall begin later: the quarterly data for Q3 of 2022 by the end of November 2022 and the semi-annual data the second half year of 2022 by the end-May 2023.	Reporting agents will need more time to implement the new requirements, especially during the critical situation of the COVID 19 pandemic and its aftermath. Furthermore, this may also give the opportunity of the reporting agents to conduct extensive testing phases with the competent NCB's (compare to AnaCredit implementation in Germany).	Kastl, Andreas	Publish
4	Regulation	8	2	5	Amendment	Additionally, the reporting of annual data with a half-yearly breakdown shall commence later and begin with the reference period of the second half year of 2022 by end-May 2023.	Reporting agents will need more time to implement the new requirements, especially during the critical situation of the COVID 19 pandemic and its aftermath. Furthermore, this may also give the opportunity of the reporting agents to conduct extensive testing phases with the competent NCB's (compare to AnaCredit implementation in Germany).	Kastl, Andreas	Publish