

Brussels, 15 September 2017

**Leaseurope response to the draft ECB guide to on-site inspections and internal models investigations.**

Leaseurope, the voice of leasing at European level, welcomes the opportunity to comment on the draft ECB guide to on-site inspections and internal models investigations.

Leaseurope response to the ECB template:

**Chapter:** Introduction/ **Paragraph:** 3 iii)/ **Page:** 2 /**Type of Comment:** Amendment

**Detail Comment:**

We propose that the sentence “and (iii) other legal entities which are within the scope of inspections because they have a business relationship with the supervised entity” is replaced with “and (iii) other legal entities belonging to the banking group of the supervised entity which are within the scope of inspections because they have a business relationship with the supervised entity”.

**Justification:**

The “business relationship” concept is too wide and there is a risk that companies inspected by the ECB are not included in the banking group.

**Chapter:** 2/ **Paragraph:** 2.2.1 / **Page:** 10 /**Type of Comment:** Clarification

**Detail Comment:**

If the inspection is conducted on a group of credit institutions, the notification should be sent not only to the parent company, but also to the subsidiaries concerned with the upcoming inspection.

**Justification:**

This would ensure at least simultaneous information to both the mother bank and the subsidiary.

**Chapter:** 3/ **Paragraph:** 3.4 / **Page:** 24 /**Type of Comment:** Clarification

**Detail Comment:**

When there are legal entities included for the purposes of prudential supervision in the Banking group of a “supervised group”, but these entities are not directly or indirectly controlled by the “supervised group” parent company (e.g. Joint Ventures), the language can be different from the one chosen by the “supervised group” parent company.

## Justification:

In our example (i.e. Joint Ventures), the decision of the banking group about the official language should not impede the legal entity the possibility to use its own national language, as there is not a control exercised by the mother bank on the legal entity' business.

## Contact Person:

Rafael Alarcón Abeti  
Senior Policy Adviser  
Prudential & Capital Markets  
Leaseurope  
+32 2 778 05 69  
[r.alarconabeti@leaseurope.org](mailto:r.alarconabeti@leaseurope.org)

## About us

Leaseurope brings together 46 member associations representing the leasing, long term and/or short term automotive rental industries in the 33 European countries in which they are present. The scope of products covered by Leaseurope members' ranges from hire purchase and finance leases to operating leases of all asset categories (automotive, equipment, machinery, ICT and real estate). It also includes the short term rental of cars, vans and trucks. It is estimated that Leaseurope represents approximately 94% of the European leasing market.

Asset finance and leasing markets have developed to respond to business investment and consumption needs as well as to accompany the development of local industrial production and distribution. The types of institutions represented by the Federation include specialised banks, bank-owned subsidiaries, the financing arms of manufacturers as well as other, independently-owned institutions.

In 2016, the leasing firms represented through **Leaseurope's membership helped European businesses invest in assets worth more than 334 billion EUR**, reaching 779 billion EUR of outstandings at the end of the year<sup>1</sup>. Leasing is used by more European SMEs than any individual category of traditional bank lending taken altogether (around 40% of all European SMEs make us of leasing which is more than any other individual form of lending)<sup>2</sup> and is also extremely popular amongst larger corporates<sup>3</sup>. It is also extremely useful to support the public sector (e.g. leasing to schools, hospitals, etc.).

**Leaseurope is entered into the European Transparency Register of Interest Representatives with ID n° 430010622057-05**

<sup>1</sup> Leaseurope 2016 Annual Statistical Enquiry

<sup>2</sup> Oxford Economics, *The Use of Leasing Amongst European SMEs*, 2015; Eurostat, *Access to Finance Statistics*, 2011; International Finance Corporation *Leasing in Development: Guidelines for Emerging Economies*, 2009; European Investment Fund *The importance of leasing for SME finance*, 2012; and UEAPME, *UEAPME Newflash*, 2012

<sup>3</sup> European Central Bank, *Survey on the Access to Finance of Small and Medium-Sized Enterprises in the Euro Area*, April 2013