

# **Stellungnahmen Stellungnahme EBF zu "EBF response to the consultation on the materiality of extensions and changes of internal approaches"**

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10. Juni 2013

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The EBF attaches great importance to the draft regulatory technical standards (RTS) that the EBA has put forward in this consultation. The supervision of internal risk models is a central part in the prudential framework established with the adoption of the Basel II standards. The EBF has long claimed that a common set of rules as to the supervision of such models shall contribute to restoring confidence in advanced models as well as to streamlining supervisory processes in European banking groups.

The EU took the lead with the implementation of the more risk-sensitive options available under the Basel II prudential framework from the outset in 2007. Since then, European banks have invested major resources and built up experience with internal risk models that promote the adoption of stronger risk management practices by the banking industry.

In the view of the EBF the present draft RTS should contribute to creating a sounder and more consistent regulatory framework for the use of internal models if certain cautions are taken on board. This response paper condenses the experience of EU bank experts as to the questions raised by the EBA. Firstly, several proposals are put forward for EBA's consideration. Secondly, answers to specific questions follow. [...]