

To:

Mr. Niall Bohan and Ms. Aurélie Lassauvetat
DG Internal Market and Services
Directorate H: Financial Institutions
SPA2 – Pavillon
Rue de Spa 2
1000 Brussels

Kraainem, 04 April 2014

Dear Mr. Bohan, dear Ms. Lassauvetat,

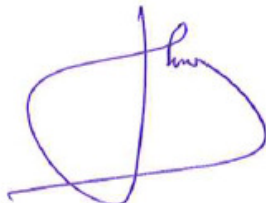
Thank you for giving us the opportunity to present and to discuss our views, comments and suggestions with you in the meeting on 1 April 2014.

To summarize this meeting, we would like to reiterate the main points we made:

- Specialized business models such as factoring should be exempt from the LCR requirements as these correspond neither to their risk level nor to their core business. As a minimum, the detrimental effects on specialized businesses and on the real economy should be neutralized by the simultaneous combination of:
 - an exemption from the currently foreseen 75% cap, and
 - a 100% recognition of inflows stemming from these specialized businesses.
- The exemption should not only apply on the entity level, but also show effects on the consolidated level. Otherwise, the LCR requirements could have an unduly penalizing effect on specialized businesses such as factoring, especially when performed within a banking group. The effect on a consolidated level could be obtained by not including inflows and outflows stemming from specialized business entities such as factoring companies in the LCR-calculation on the consolidated level.

Should you need any more information on the factoring and commercial finance industry, please do not hesitate to contact us.

With kind regards,



John Gielen
Chairman - EUF