

To:
Mr Aurel SCHUBERT
Director General
Supervisory Statistics Division
European Central Bank
Email:
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Kraainem, 23 April 2015

Ref: EUF/MP/15-005

Ref.: ECB-plans for “Analytical Credit Dataset” - AnaCredit

Dear Mr. Schubert,

The EU Federation for Factoring and Commercial Finance (EUF) is the representative body for the factoring and commercial finance industry in the EU. It is composed of national and international industry associations that are active in the EU and represent 97.5% of the industry turnover as well as nearly 200 European factoring and commercial finance companies, of which a relevant part are credit institutions or part of a banking group on a consolidated basis. In 2014, the factoring and commercial finance volumes in the EU grew by over 6.5% to 1.36 trillion Euro. In relation to the EU total GDP, the total turnover of the factoring and commercial finance industry therefore now exceeds 10% of the EU total GDP.

Factoring can be described as an agreement between a business (assignor) and a financial entity (factoring company) in which the assignor assigns/sells its receivables to the factoring company and the factoring company provides the assignor with a combination of one or more of the following services with regard to the receivables assigned, in return for a (commission and discount) charge: advance of a percentage of the amount of receivables assigned (mostly in form of payment of the purchase price for the receivables), receivables management, collection and credit protection.

The EUF seeks to engage with Government and legislators to enhance the availability of finance to business, with a particular emphasis on the SME community as many factoring clients are SMEs. The EUF wishes to act as a platform between the factoring and commercial finance industry, and key legislative decision makers across Europe. Therefore, the EUF offers itself as a source of reference and expertise on the factoring and commercial finance industry in order to assist with the direction of existing and future finance legislation with a view to ensuring the continued provision of prudent, well structured and reasonably priced finance to businesses, SMEs in particular, across the EU.

It is in this role that the EUF wishes to address the ECB's plans for introducing the “Analytical Credit Dataset” (AnaCredit) which includes plans for corresponding reporting duties for the financial sector, pointing out not only certain issues connected to these ECB-plans which may affect the factoring

EU Federation for the Factoring and Commercial Finance Industry

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industry, but also stressing the EUF's willingness to provide the ECB with the information and expertise on the European factoring industry which it has at its hands.

The EUF is aware that statistical data of high quality is necessary for performing different Eurosystem tasks, including risk management and financial stability surveillance and research. In its decision ECB/2014/6 of 24 February 2014, the ECB clearly puts forward these as well as other arguments as reasons why a "long-term framework for the collection of granular credit data based on harmonised ECB statistical reporting requirements should be set out in an ECB legal instrument" (cf. p. 2 of the decision ECB/2014/6). However, the EUF is under the impression that the plans for AnaCredit and the corresponding reporting duties are becoming more and more complex, with an ever-widening possible scope of application and possible new (and in comparison to current reporting thresholds in some EU member states much lower) reporting thresholds which would entail massive increases in the reporting workload for businesses in the financial sector. The EUF feels that there has been an insufficient amount as well as insufficiently transparent discussion with the ECB on a number of significant questions and consequences of the planned new requirements. Apart from the aforementioned increasingly wide and currently also unclear scope of application for the reporting duties, it is important to point out that also the tight time frame for implementation is an issue, particularly with a view to its technical/IT-aspects. Therefore, the EUF is very much in favour of adjusting the hitherto envisaged tight time frame as well as ensuring that the plans for new reporting duties are developed transparently and in cooperation with the financial industry.

We therefore regret that stakeholders have neither so far been nor will apparently be given the opportunity to voice their viewpoints and arguments in e.g. a public consultation process and well before the draft AnaCredit-Regulation is to be adopted. Considering the magnitude of the AnaCredit-project and its far-reaching implications, the EUF strongly advocates for your institution to organise a public consultation process, preferably with a subsequent feedback statement, to collect especially the views of those who will or may be affected by the AnaCredit-Regulation and especially by the implementation of its corresponding reporting duties. The EUF believes that this is essential to ensuring an informed policy-making process which leads to realistic and workable new requirements.

Please do not hesitate to contact us should you have any queries regarding the aforementioned viewpoints or require more information on the factoring industry in Europe.

With kind regards,



John Gielen
Chairman - EUF