

5 June 2017

Joint Committee of the European Supervisory Authorities  
European Banking Authority

## **Comments on the Consultation Paper on the Draft Joint Guidelines on the Fund Transfer Regulation**

Dear Sir / Madam

Please find below AFME's comments on the Consultation Paper on the Draft Joint Guidelines on the Fund Transfer Regulation. We appreciate the opportunity to respond.

Yours faithfully

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Head of Compliance

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- 1.0 The Association for Financial Markets in Europe (AFME) welcomes the opportunity to comment on **the Consultation Paper on the Draft Joint Guidelines on the Fund Transfer Regulation**. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. We advocate stable, competitive, sustainable European financial markets that support economic growth and benefit society.
- 1.1 AFME is the European member of the Global Financial Markets Association (GFMA) a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) in Asia.
- 1.2 AFME is registered on the EU Transparency Register, registration number 65110063986-76.
- 2.0 AFME has had the opportunity to read draft responses prepared by the European Banking Federation, the British Bankers' Association and the European Banking Industry Committee and we broadly agree with their conclusions.
- 2.1 In particular, we would note that publication of the draft guidelines on 5<sup>th</sup> April 2017 for consultation until 5<sup>th</sup> June does not allow sufficient time for payment service providers (PSPs) to implement required measures and be in compliance with the Regulation on its date of application of 26<sup>th</sup> June 2017. Earlier consultations in October 2016 had identified concerns of potentially significant impact, as well as additional impacts on PSPs from the contemporaneous implementation of the Second Payments Services Directive and the 4<sup>th</sup> Money Laundering Directive. Given that the guidelines will not be finalised until after the consultation closes on 5<sup>th</sup> June, and that PSPs will be required to make significant changes to both their internal policies and systems, during the same period as changes required under related EU legislation, we consider that there should be, and should be announced now, an extended implementation period of at least 12 months after the Regulation applies to allow both competent authorities and PSPs to comply (i.e. until 26<sup>th</sup> June 2018 at least).
- 2.2 Otherwise, there is a significant risk that if PSPs were to interpret and apply the Regulation inconsistently, this could create blockage on many payments across Europe. We also noted in some sections of the consultation paper (e.g. Page 18 "Notifying the authorities") that national authorities should also position themselves on some requirements, but we have not yet heard anything on the topic from national authorities.
- 2.3 We understand from Recital 6 of the Regulation and from the public hearing of 19<sup>th</sup> May that it is not envisaged that the Regulation should result in significant market disruption or impose significant additional costs on PSPs but we believe that, without an extended implementation period, these are real risks.
- 3.0 We would be happy to participate in industry roundtable discussions with you to support further definition of implementation systems and procedures during any implementation period.

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