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Brussels, 26 June 2014

EBA publishes final draft regulatory technical standards on the minimum monetary amount of the professional indemnity insurance for mortgage credit intermediaries

Dear Madam, dear Sir,

The European Banking Authority (EBA) has published on 24 June 2014 its final draft regulatory technical standards on the minimum monetary amount of the professional indemnity insurance or comparable guarantee for mortgage credit intermediaries. EBA has been mandated in article 29 (2a) of directive 2014/17/EU to develop draft technical standards regarding the determination of the minimum amount covered of the professional indemnity insurance as a requirement for the admission of a credit intermediary.

EBA proposes a minimum amount of **460,000 Euros / prejudice** and **750,000 Euros/ year**.

The proposal is based on the decision by EBA to calculate the minimum amount by determination of an average amount of all contributions of the professional indemnity insurance for credit intermediaries for immobile property which are already established in the different EU member states.

EFBS had argued for an alignment with EU Member states which already have established relevant provisions on the professional indemnity insurance and where the protection of the insurance is the lowest.

EBA has announced that when reviewing the delegated act in 2018, it will also assess the selection of the calculation method. If the availability of data will have changed until then, another approach might be more appropriate.

The final draft standards have been sent to the European Commission for their adoption. If the European Parliament and the Council do not raise any objections during two months' time, the regulation will enter into force by publication in the official journal of the European Union and will be directly applicable throughout the EU.

If you have further questions, please do not hesitate to contact us.

Yours sincerely,

Andreas J. Zehnder
Managing Director
European Federation of Building Societies

Annex