



To the members of the
European Federation of Building Societies

16 October 2012
CK

Creating European guidelines for Bausparen

Dear members,

At the EFBS Semi-Annual Meeting in Brussels on 29 March 2012, and at the proposal of various participants, a decision was taken to initiate an exchange of views on the future direction of building societies (Bausparkassen) in Europe. The members of the EFBS had noted, in this context, that the financial crisis had shown that although the building societies were immune to the turbulence unleashed in the Anglo-Saxon countries, no trend towards prior saving or saving for building purposes (Bausparen) seems to have been initiated. Nonetheless, developments in Austria and the Czech Republic in particular show that the spotlight is turning once more to the special benefits afforded by, and the promotion of, Bausparen. In order to facilitate an in-depth discussion of the diverse challenges currently facing the building societies, a meeting of EFBS representatives was held in Vienna on 3 July 2012. At this meeting, the discussion focused on the further development of Bausparen in the individual Member States and on ideas for potential solutions.

After a general exchange on the current status of Bausparen in the individual Member States, delegates also discussed the option of product regulation at the European level and the idea of creating European guidelines for Bausparen. All the delegates agreed that input for a policy paper on the minimum requirements applicable to a Bauspar collective at the European level, including a more detailed analysis of the pros and cons, should be produced in time for the management board meeting in Luxembourg in October 2012.

In terms of the content, it is essential to clarify whether these guidelines should merely regulate the "classic" type of Bausparen or whether they should also apply to the building societies' growing body of non-collective business.

Following an in-depth discussion, the members of the Association of Private Bausparkassen stated that they were not in favour of introducing statutory guidelines at the EU level, firstly due to the risk that agreement might not be reached on a unified concept; secondly, because it is impossible to conclusively assess enforceability at the EU level; and thirdly, with the adoption of any regulations on Bausparen, there is the possibility that the EU will opt for a product directive instead

of a specialised credit institution directive.

It was agreed that the topic would be discussed again at the EFBS management board meeting in Luxembourg on 25 October 2012.

Yours sincerely,



Andreas J. Zehnder
Managing Director
European Federation of Building Societies