



**aecm**

# **Legal Requirements re CGS at EU Level**

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EMGN Autumn Academy • Tunis • 25 October 2022

# About AECM



- Founded in 1992 by 9 private guarantee organisations
- As of today: 48 members in 31 countries
- Most members are public institutions, some are fully private (or mutual) and some have a private-public mixed ownership structure
- The abbreviation AECM derives from the original French version of the name "Association Européenne du Cautionnement"
- Legal status: International non-profit association under Belgian law
- Registered office in Brussels

# About AECM : Our mission



## **Political representation**

- Liaison with European institutions, EIB Group, OECD, World Bank etc.
- Monitoring and follow-up of relevant legislative projects
- At least 24 position papers in 2021
- Organisation of and participation in political events
- Close cooperation with bank and SME associations

## **Organisation of the exchange of good practice**

- Organisation of internal and public events
- Establishing (bi- and multilateral) links among members
- Regular and on-demand member surveys

# About AECM : Our mission



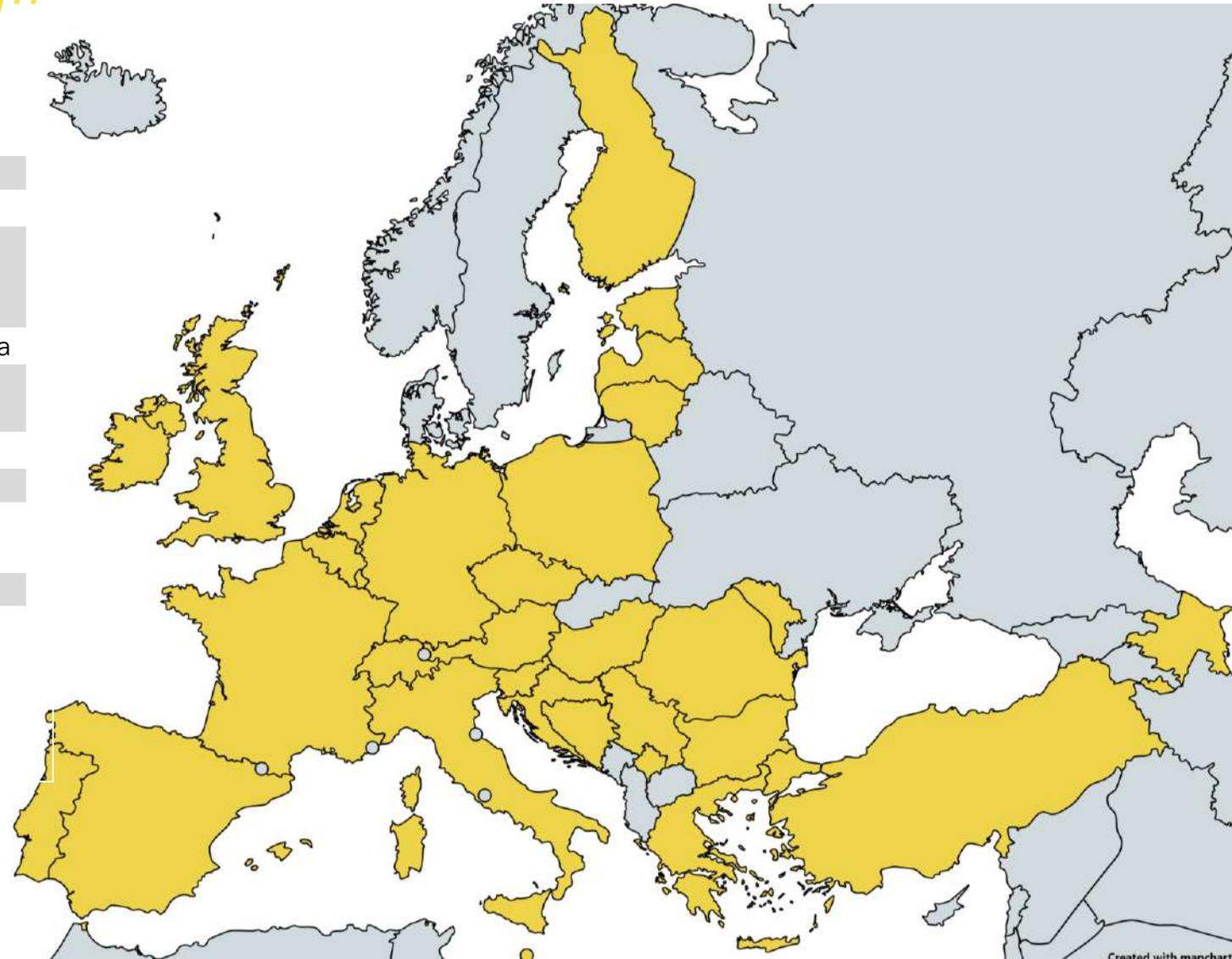
## Promotion of the guarantee instrument

- Numerous interventions in public and internal events
- Publications :
  - Statistical Yearbooks 2021 2020 2019
  - Brochure on covid measures
  - Brochure on alternative support programmes
  - Brochure with examples of guarantee cases
  - etc...

# About AECM : Members + Partners



AT	aws NÖBEG	DE	VDB	PL	BGK
AZ	MCGF	GR	HDB TMEDE	PT	BPF
BE	Fonds Bruxellois PMV/z Waarbor- gen SOWALFIN	HU	AVHGA Garantiqa MVA	RO	FGCR FNGCIMM FRC
BA	GF Srpska	IE	SBCI	RS	GF Vojvodina
BG	NGF MGFSME	IT	Assoconfidi ISMEA	SI	SEF SRDF
HR	HAMAG BICRO	XK	KCGF	ES	CESGAR
CZ	NRB	LV	ALTUM	CH	NSGI
EE	KredEx	LT	Garfondas INVEGA	TR	KGF TESKOMB
FI	Finnvera	LU	MC MPME	UK	BBB
FR	Bpifrance EDC SIAGI SOCAMA	MT	MDB		
		MD	ODA		
		NL	RVO		



Partners: **EMGN**, REGAR, SME Finance Forum

# About AECM : Statistics



**48**

members

from

**31**

European  
countries

EUR  
**90**  
billion

new guarantee  
production

kEUR  
**48**

Average size of  
guarantee

EUR  
**312**  
billion

Outstanding  
guarantee volume

**5.9**  
million

Supported SMEs

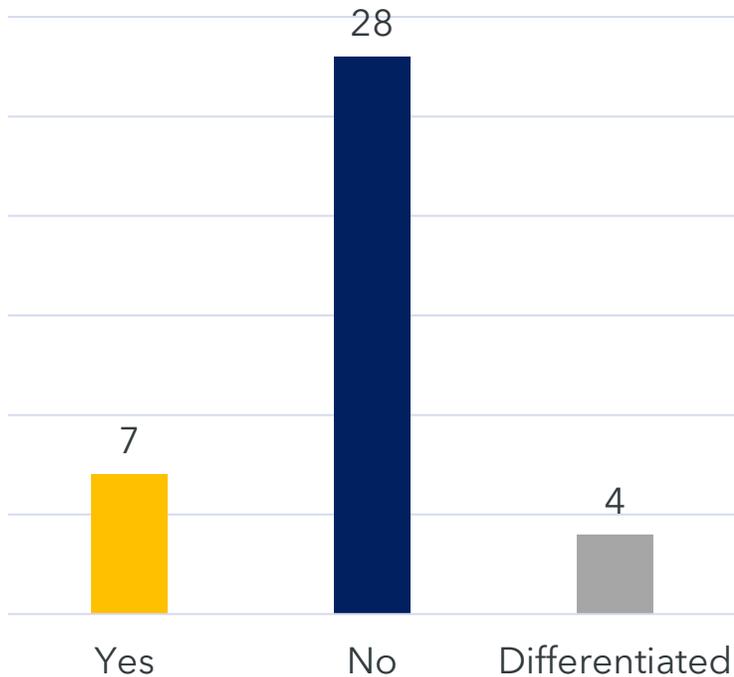
Recent publications:

- [Statistical Yearbook 2021](#)
- [SME support in the covid crisis - The role of Guarantee Institutions](#)
- [Products and Services beyond standard SME debt guarantees](#)

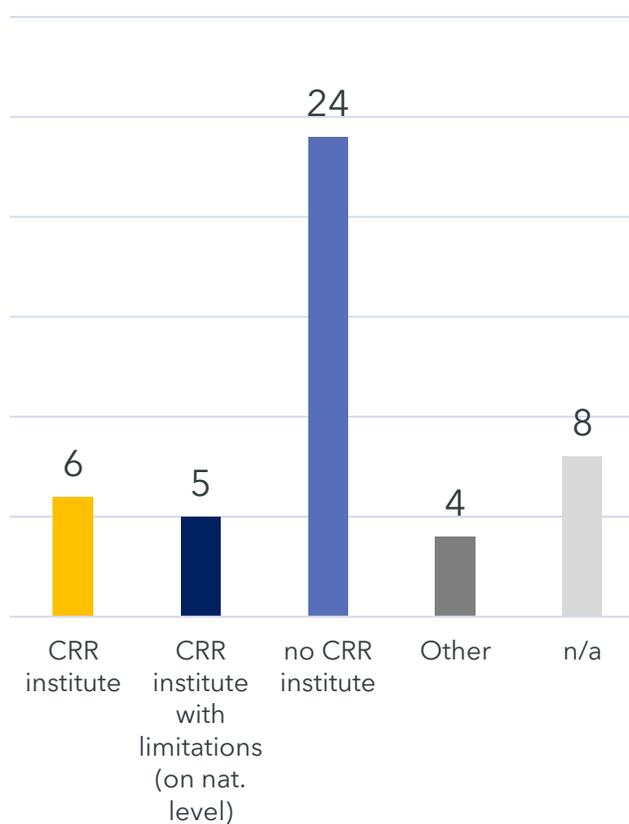
All data as of 31st December 2021

# Our members' regulatory situation

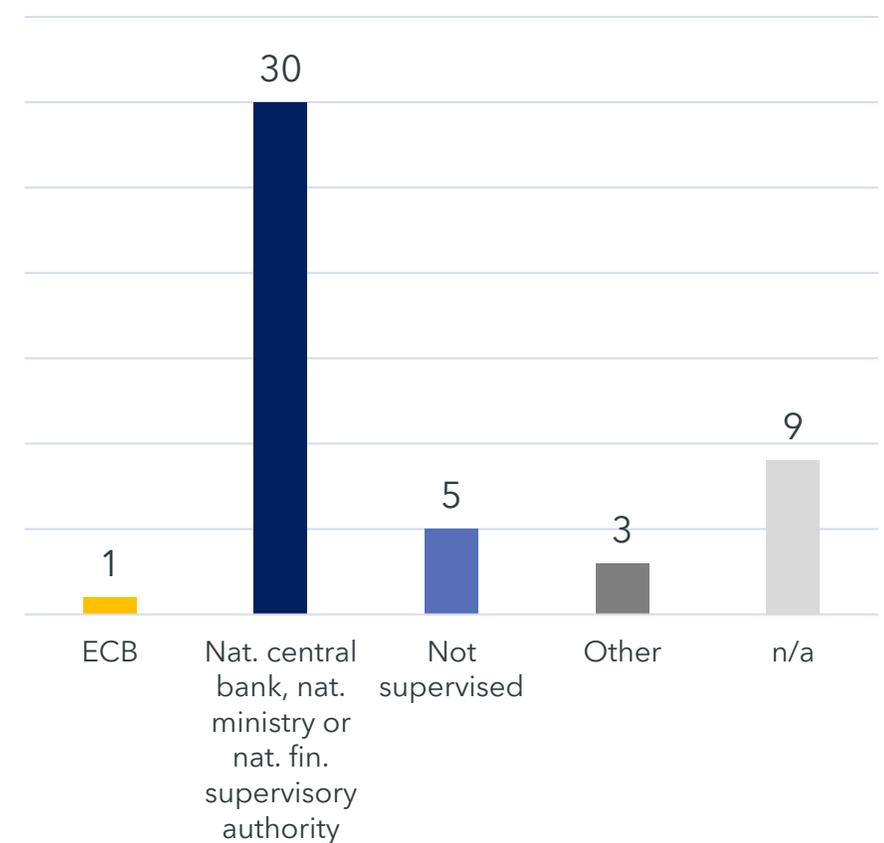
### Banking license



### CRR Status



### Supervisory situation



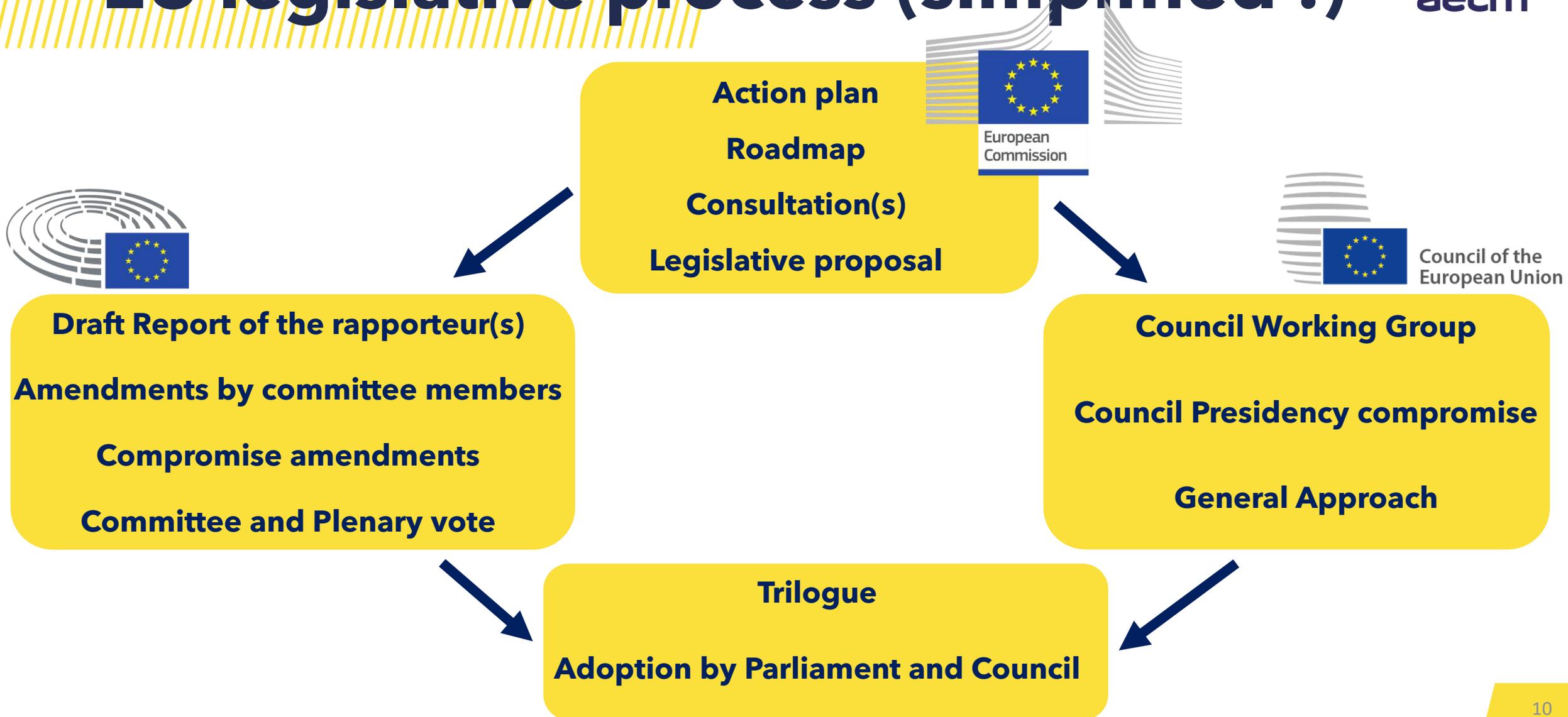
# Works at AECM level

- Monitoring and reporting on legislative initiatives by secretariat
- Regular meetings of the AECM Working Group Law and Regulation with high-level speakers from the institutions
- Targeted expert exchange meetings
- OTS on regulatory topics:
  - Helsinki May 2022: Prediction of default: risk assessment and rating
  - Vilnius May 2016: Guarantee products and risk assessments. Evaluating risk for various types of guarantees
  - Maribor April 2015: Policies and procedures for collaterals
  - Madrid May 2011: Risk assessment and rating
- Regular surveys among members

# Past dossiers

- CRR/CRD review 2018: Small Banking Box + Extension of SME factor
- Covid Quick Fixes regarding NPEs + Deferral of the Basel implementation deadline

# EU legislative process (simplified !)



# Current challenges

## Topics treated by our WG Law and Regulation:

- Transposition of finalised Basel III into EU law
- Anti-Money Laundering Package
- (Corporate Sustainability Reporting Directive)
- Taxation: e.g. currently Debt-Equity-Bias Reduction Allowance (DEBRA)
- Harmonisation of insolvency schemes
- Revision of the Late Payments Directive

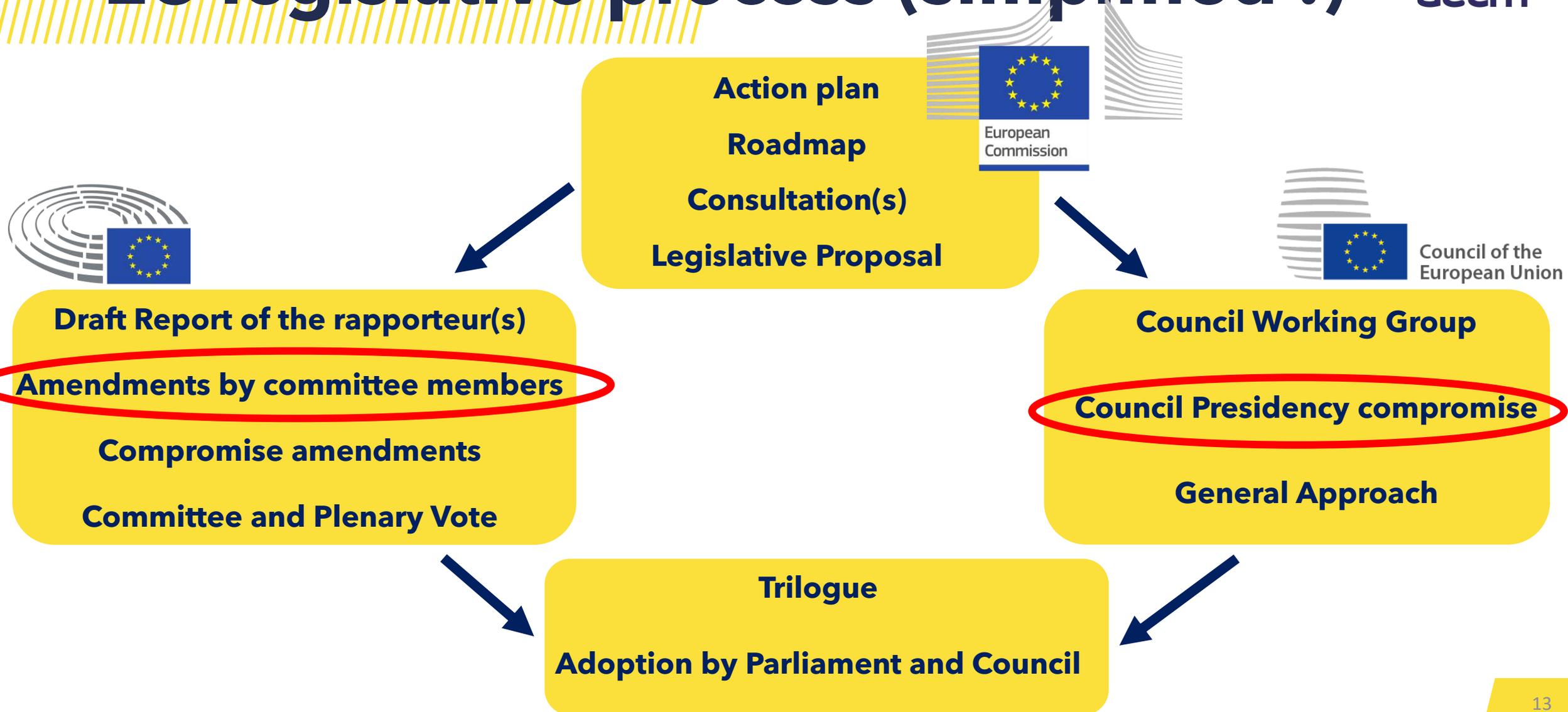
# Current challenges

## **Transposition of finalised Basel III into EU law - timeline**

- Basel Accord in December 2017
- Commission's public consultation in December 2019
- Postponement of the dossier during the Covid-19 crisis
- Commission legislative proposal in October 2021
- Publication of the draft Parliament Report in May 2022
- Amendments to the draft Parliament Report in August 2022
- Council Presidency compromise in October 2022
- Committee vote planned for December 2022

AECM actively participated in the legislative process since the beginning:  
4 position papers and numerous meetings with policy makers

# EU legislative process (simplified !)



# Current challenges

## Transposition of finalised Basel III into EU law - main points

- Unrated institutions - Increase of RW from 20 to 40%
- Unrated corporates - Increase of RW from 65 to 100%
- Treatment of (quasi-)equity - Increase of RW to 150% and 250%
- Eligibility criteria for guarantees - Unconditionality of guarantee
- ESG Risks - Increase of disclosure requirements
- SME factor - Preservation

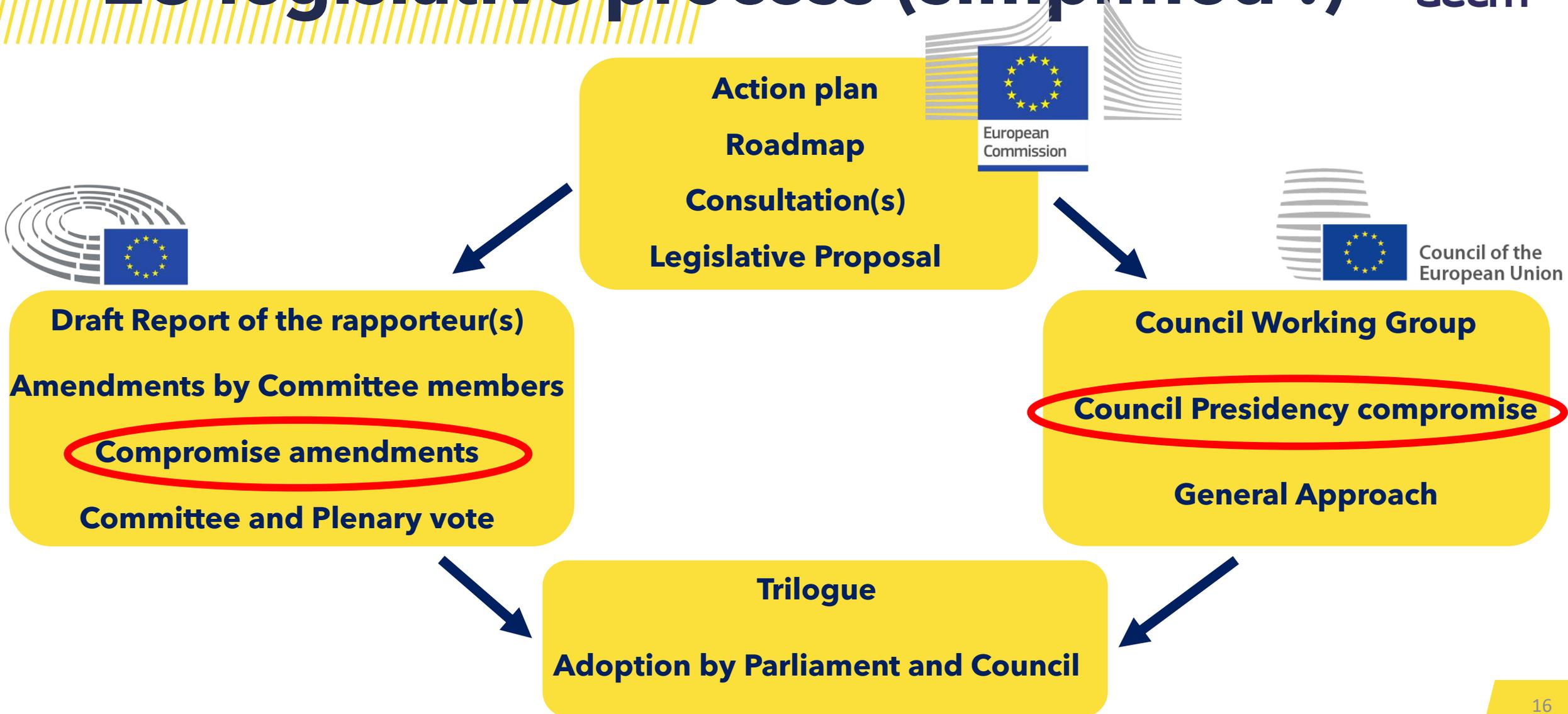
# Current challenges

## Anti-Money Laundering Package - timeline

- Commission Action Plan in May 2020
- Commission Proposal in July 2021
- Parliament draft Report presented in March 2022
- Amendments to the draft Parliament Report tabled in July 2022
- Compromise amendments in September/October 2022
- Council Presidency compromise in October 2022

AECEM actively participated in the legislative process since the beginning: 5 position papers and numerous meetings with policy makers

# EU legislative process (simplified !)



# Current challenges

## Anti-Money Laundering Package - main points

- Definition business relation
- Definition Politically Exposed Persons (PEPs)
- Reliance on third parties
- Outsourcing
- Identification of Beneficial Owners
- Lower risk factors



Choukrane ! Grand merci ! Many thanks !  
Do you have any questions ? Avez-vous des questions ?



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Guarantee Institutions**

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