

# KRAJOWA RADA SPÓŁDZIELCZA

## NATIONAL CO-OPERATIVE COUNCIL

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Warsaw, 31<sup>st</sup> July 2020

SIB/137/2020/MW

~~Mr. Piotr Nowak  
Deputy Minister of Finance~~

~~Ministry of Finance  
12, Świętokrzyska Street  
00-916 Warsaw~~

Acting on behalf of the National Cooperative Council in response to your letter of 22<sup>nd</sup> July 2020 (FN4.701.16.) on the draft law on reduction of excessive reporting in the sector of Polish financial cooperatives, **we regret to state that in our opinion, the declarations given publicly by the broadly defined authorities supervising the financial market in Poland about the need to review legal acts and initiate real and necessary changes to take into account the principle of proportionality in the sector of Polish financial cooperatives, are not implemented in practice.** That was the case with in particular the commitments made during the seminar meeting of the Budget and Public Finance Committee on reporting obligations of cooperative financial institutions, which took place on 9 July 2019, which was attended not only by representatives of Cooperative Banks and Cooperative Savings and Credit Unions, but also representatives of the Polish Financial Supervision Authority (FSA) with its chairman, Dr. Jacek Jastrzębski, representatives of the National Bank of Poland (NBP), the Ministry of Finance and the Bank Guarantee Fund (BGF). On the other hand, there are some examples of relieving the sector, quoted by the Ministry of Finance, which do not constitute a general application of the principle of proportionality in the sector of Polish

financial cooperatives, ergo the scope of relieving the sector remains in our opinion still insufficient to be able to say that the principle of proportionality is applied in the Polish financial cooperative sector.

It is only pointed out that "within the framework of cooperation between the Ministry of Finance, FSA, NBP and BGF, a review of reporting obligations imposed on Cooperative Banks and Cooperative Savings and Credit Unions is being carried out, which is a manifestation of practical implementation of the principle of adequacy and proportionality of imposing reporting obligations on supervised entities".

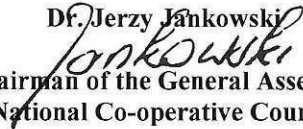
We welcome your declaration that the Ministry of Finance remains open to constructive proposals to improve the existing solutions.

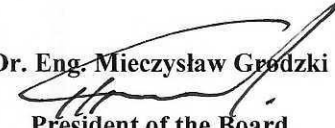
It is important to consider the results of a survey conducted by the Basel Committee on Banking Supervision on 19 March 2019, but unfortunately not among supervised institutions, but among supervising institutions. The survey shows that supervisors, including national supervisors, have no problem with applying the proportionality principle, although, as already indicated, the actual situation is quite different. Therefore, the declaration made during the above mentioned seminar meeting by Prof. Jacek Jastrzębski – the Chairman of the FSA – about creating a working group which would work out a kind of path, a roadmap to minimize these reporting obligations in order to take into account the principle of proportionality in the sector of Polish financial cooperatives, was indeed very important and right.

Therefore, following the declarations made by the participating supervisory institutions during the seminar meeting of the Budget and Public Finance Committee on the reporting obligations of cooperative financial institutions which took place on 9 July 2019, **we ask the Ministry of Finance to set up a working group at the Ministry of Finance to work out amendments to the relevant legislation, after reviewing it with the Ministry of Finance, NBP, BGF, FSA and the National Cooperative Council, as well as with the direct stakeholders, i.e. representatives of the Cooperative Savings and Credit Unions and Cooperative Banks sectors. The amendments should aim at ensuring that the principle of proportionality is applied in the Polish financial cooperative sector without prejudice to the effectiveness of supervisory activities.**

**The working group thus created, after setting priorities and a consistently implemented timetable, could contribute to improving not only the position of the Polish financial**

cooperative sector, i.e. matching the provisions with the legal nature of the sector's entities, but also to increasing Poland's standing in applying the proportionality principle in the financial market sector in the European Union.

  
Dr. Jerzy Jankowski  
Chairman of the General Assembly  
National Co-operative Council

  
Dr. Eng. Mieczysław Grodzki  
President of the Board  
National Co-operative Council

**For information:**

- The President of Republic of Poland
- Prime Minister
- President of the NBP
- The Chairman of the FSA
- President of the BGF
- Minister of Finance
- President of the National Bank of Poland
- F. Stefczyk Auditing Union of Cooperative Banks
- Cooperative Savings and Credit Unions (all)
- Cooperative Banks (all)
- European Banking Authority (EBA)
- World Council of Credit Unions (WOCCU)
- Basel Committee on Banking Supervision
- International Monetary Fund (IMF)
- International Association of Cooperative Banks (ICBA)