



Lord Jonathan Hill
European Commissioner
Financial Stability, Financial Services
And Capital Markets Union
Berlaymont Building
Rue de Loi 200
B-1049 Brussels

Berlin, 6 June 2016

Dear Commissioner Lord Hill,

The Federation of German Industries (BDI)ⁱ, the German Association of Chambers of Industry and Commerce (DIHK)ⁱⁱ and the German Federation of Skilled Crafts and Small Businesses (ZDH)ⁱⁱⁱ support the efforts of the European Institutions to increase the resilience of the European financial system in order to avert future crises.

Enterprise financing neither caused nor added to the crisis. More stringent regulation of the financial markets therefore should not be made at the expense of the financing of small and medium-sized enterprises (SMEs). In fact lending to SMEs strengthens the financial system.

Hence, we very much welcome the introduction of the SME supporting factor (SF) by co-legislators in the text of the Capital Requirements Regulation (CRR). The SF reflects the reduced risk involved in SME lending and acknowledges its stabilising effect on the financial system. In addition, the SF helps SMEs play their role in driving economic growth by balancing the negative effects which enhanced capital requirements and liquidity rules have on SME lending.

Therefore, we thank you for your commitment in maintaining the SF, which is very much appreciated. Moreover, we support your intention to examine the raising of the retail threshold to allow more SME loans to qualify for lower capital requirements.


In order to achieve its full impact, it is crucial that the SF is introduced on a permanent basis. A review clause opening the possibility to abolish the SF in the future would cause uncertainty and limit the effectiveness of the SF. Banks need a stable basis for calculation. Loans with a maturity after the date of a potential review would not benefit from the SF. As banks handing out such loans to SMEs do not have the necessary certainty that the factor will apply throughout the full lifecycle of the loan.

We count on your continuing support on these issues.


Yours sincerely,



Dr. Markus Kerber
Director General BDI



Dr. Martin Wansleben
general manager DIHK



Holger Schwannecke
secretary general ZDH

ⁱ The Federation of German industries (BDI) is the umbrella organisation of German industry and industry-related service providers. It speaks on behalf of 36 sector associations and represents over 100,000 large, medium-sized and small enterprises with more than eight million employees.

ⁱⁱ The Association of German Chambers of Commerce and Industry (Deutscher Industrie- und Handelskammertag e.V. - DIHK) is the umbrella organization of the 79 German Chambers of Commerce and Industry and represents the collective interest of commercial and industrial businesses in Germany. Our legitimization rests on round about 5 million member companies from all sectors, regions and size classes that belong to the Chambers of Commerce and Industry.

ⁱⁱⁱ The German Confederation of Skilled Crafts and Small Businesses (ZDH) is the umbrella organization of the 53 German Chambers of skilled crafts and 48 national confederations of skilled crafts. ZDH represents more than 1 million crafts enterprises in Germany with more than 5 million employees, about 380,000 apprentices and an annual total turnover of 533 billion Euro.