

# LOBBYING AND INFLUENCING THE FINANCIAL LEGISLATIVE PROCESSES BY ASN BANK

*focusing on ASN Bank's relationship with the Dutch Ministry of Finance<sup>1</sup>*

## 1. APPROACH TO ADVOCACY OR LOBBYING ON FINANCIAL REGULATORY LEGISLATION

Although ASN Bank is 100% owned by SNS Bank N.V. it has an independent bank permit until the end of 2016 and has an independent advocacy and lobbying policy and approach. From 1<sup>st</sup> January 2017 onwards, ASN Bank will be part of the Volksbank N.V. that also covers SNS Bank and has one bank permit.<sup>2</sup> Research on SNS Bank is reported in a separate Annex on SOMO's website and part of the SOMO report A structural problem in the shadows – Lobbying by Dutch banks (November 2016). It was announced in September 2016 that the sustainability policy of ASN Bank will become a basic orientation for the SNS Bank N.V.<sup>3</sup>

### *1.1 Approach to lobbying and advocacy*

ASN Bank made an explicit choice not to engage in lobbying financial regulatory policy makers regarding financial regulation and legislation because it considers such policy making an issue for a democratically elected government. Therefore, the policy of the bank has been not to take a top-down approach in which it tries to influence regulation and legislation, but rather, to implement a bottom-up approach with long term goals. It is particularly active<sup>4</sup> on working to engage and influence<sup>5</sup> the market and society on particular issues of sustainability, namely human rights, climate and bio-diversity<sup>6</sup> (see also paragr. 4). These activities can lead to ASN Bank having contact with a variety of ministries, the Dutch central bank (DNB) and/or the parliament.

In its governance guidelines, it defines lobbying as each activity that aims at steering policy and decisions of an authority or institute in the direction of a certain goal or result.<sup>7</sup>

Since it was fully in line with its sustainability approach, ASN Bank has lobbied on the prohibition of investments in cluster ammunition.<sup>8</sup> Garnering interest and support from authorities is seen as a way to lever ASN Bank's initiatives and help their promotion and success.

### *1.2 Internal operation of advocacy and lobbying*

ASN Bank does not have a separate unit responsible for advocacy or contacts with policy makers. Bank staff, up to the CEO, engage in advocacy at all levels of the market and society and, occasionally, at governmental level.

### 1.3 Budget or advocacy and lobbying

ASN Bank does not have a separate budget or accounts for advocacy and lobbying on financial regulatory and legislative issues as it does not specifically engage in such lobbying activities.

## 2. FINAL RESPONSIBILITY FOR LOBBYING POSITIONS

The final responsibility within ASN Bank on policies and activities - including engagement with (regulatory) authorities and occasional lobbying - lies with Ewoud Goudswaard, General Director of ASN Bank. In practice, the responsibility also lies with the other members of the board of directors. The members of the Sustainability Policy and Research team of the bank are the ones developing the sustainability policies, positions and related activities which are in due course approved by the board of directors.

## 3. LOBBYING TRANSPARENCY

ASN Bank is very clear<sup>9</sup> on the specific sustainability issues it stands for and engages in activities which support and achieve its goals, namely human rights, climate and bio-diversity.

When reporting on advocacy and lobby activities or membership of organisations (including those engaging in regulatory and policy lobbying), ASN Bank mainly uses the Global Reporting Initiative (GRI) guidelines and its own website. The GRI reporting guidelines require that, from 2014 onwards, reporting according to the G4-16 indicator means only reporting on memberships of (all kinds of) associations and advocacy organisations. The bank's GRI tables in its 2014<sup>10</sup> and 2015 Annual Reports<sup>11</sup> mentions organisations of which ASN Bank is member.

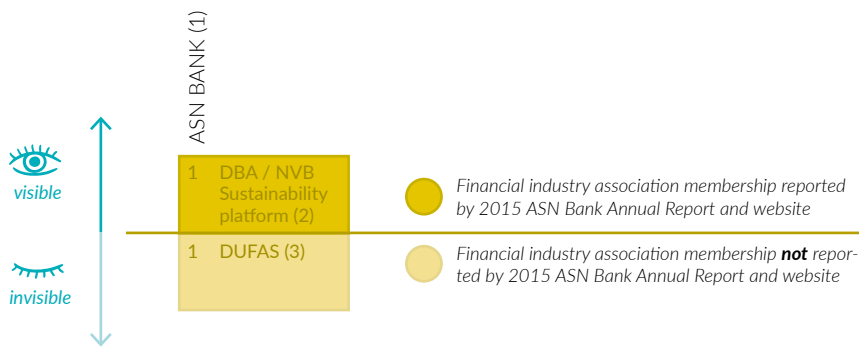
Though the bank states that it is a member of the Sustainability Platform of the Dutch Banking Association/Nederlandse Vereniging van Banken (DBA/NVB), it is not clear whether or not it is a member of the DBA/NVB itself. On the DBA/NVB website, ASN Bank is listed as a member with a digital note that ASN Bank is part of SNS Bank but without clarifying that it is not a member of the DBA/NVB itself.<sup>12</sup>

Though the website of the Dutch Fund and Asset Management Association (DUFAS)<sup>13</sup> lists ASN Bank as one of its members, this membership is not referred to in the GRI table that relates to the bank's online 2015 Annual Report.<sup>14</sup> The DUFAS membership is only mentioned in the separate annual report of the investments funds which are 100% owned by ASN Bank known as ABB.<sup>15</sup> According to ASN Bank, ABB is the legal entity that has membership of DUFAS<sup>16</sup> but that is not clear from the 2015 Annual Report of ASN Bank.

DUFAS engages in lobbying towards policy makers and decision makers regarding upcoming financial regulation. For instance, DUFAS responded to the official consultation of the European Commission (EC)<sup>17</sup> on the upcoming legislation regarding simple, transparent and standardised (STS) securitisation. This consultation was launched on 18 February 2015, before the EC presented the new law proposal to the European Parliament and the European Council of Finance Ministers. In principle, DUFAS lobbies in the name of its members, which is legally (*rechtspersoon*) ABB, the investment fund fully owned by ASN Bank. It there is no mentioning whether ASN Bank and/or ABB was involved in the position taking by DUFAS.<sup>18</sup>

graph 1

## ASN Bank memberships of financial industry associations that engage in lobbying on regulatory issues



Source: ASN Bank GRI table 2015<sup>19</sup> and related website<sup>20</sup>; websites of the Dutch Banking Association (DBA/NVB) and the Dutch Fund and Asset Management Association (DUFAS), website of official consultations by the Dutch Ministry of Finance and the European Commission.

(1) ASN Bank is fully owned by SNS Bank, with an independent bank permit until 31 December 2016.

(2) ASN Bank is not a member of the DBA/NVB but SNS Bank is a member of the DBA/NVB.

(3) Legally, ASN Bank's investment fund, ABB, is member of DUFAS but DUFAS mentions ASN Bank as a member on its website.

## 4. LOBBYING AS CORPORATE SOCIAL RESPONSIBILITY (CSR)

ASN Bank does not have a public policy document on how it does, or does not, engage with regulatory authorities regarding upcoming regulatory policy and financial legislation, and whether this is part of its CSR and sustainability policy. In its investment policy and guidelines that are integrated in its operational and governance policy, however, ASN Bank considers lobbying a CSR issue. It states that it expects the companies it which it invests not to be lobbying for activities that go against the sustainability issues promoted by ASN Bank -human rights, bio-diversity and climate-, for instance by being part of the anti-climate change lobby. ASN Bank encourages companies to be transparent about expenditure on lobbying or political contributions. It considers that disproportional lobbying can have a disruptive effect.<sup>21</sup>

As explained in paragr.1.1. above, ASN Bank itself operates differently from the traditional lobbying process of trying to influence policymaking initiated by government. Instead, ASN Bank initiates or puts into practice certain projects relating to sustainability issues and then tries to convince and influence other banks and policy makers to follow, for example, by showing that it works. One example is the 'carbon pledge' by which it promises to reduce its CO2 emissions to zero. All these ASN Bank's 'lobbying' and advocacy activities are inspired by its sustainability agenda. Nevertheless, ASN does also undertake a few lobby activities on regulatory and legislative issues to promote sustainability issues, such as forbidding investments in cluster ammunition.<sup>22</sup>

## Notes

- 1 Except otherwise mentioned, information was provided by Mr P. Sprengers, ASN Bank, Head of Sustainability Policy and Research, during an interview with M. Vander Stichele, Senior Researcher, SOMO, and S. van Dijk, intern at SOMO at the time, on 29 June 2016 and through the review by ASN Bank of the draft of this Annex.
- 2 SNS Bank, 'SNS Bank N.V. gaat verder als de Volksbank', press release, 27 September 2016, <https://forum.snsbank.nl/sns-nieuws-99/sns-bank-nv-gaat-verder-de-volksbank-10586> (last viewed 30 October 2016).
- 3 ASN Bank, 'Jeroen Jansen treedt terug als directeur ASN Bank', press release, 5 September 2016, <https://nieuws.asnbank.nl/jeroen-jansen-treedt-terug-als-directeur-asn-bank/> (last viewed 30 October 2016).
- 4 For instance, ASN Bank has developed many policies and ways of engagement on various sustainability issues: <https://www.asnbank.nl/algemeen/duurzaamheid/duurzaamheidsbeleid.html> (last viewed 7 October 2016).
- 5 See for instance: <https://www.asnbank.nl/algemeen/duurzaamheid/duurzaamheidsbeleid/invloed-uitoefenen.html>.
- 6 [http://www.asnbankverslag.nl/verslag/a1004\\_Duurzaamheid](http://www.asnbankverslag.nl/verslag/a1004_Duurzaamheid).
- 7 ASN Bank, 'Beleid over goed bestuur en ethisch handelen van ondernemingen', 23 June 2015, p. 10, <http://www.asnbank.nl/web/file?uuid=41a51195-7d48-46ae-b7a8-2882f7ac9671&owner=9ccef6a9-c451-451a-963a-e931fe46c086&contentid=3468> (last viewed 10 October 2016).
- 8 Ibidem.
- 9 See for instance: <https://www.asnbank.nl/algemeen/duurzaamheid/duurzaamheidsbeleid.html> and the English version of ASN Bank' annual report that provides financial as well as sustainability information: ASN Bank Report 2015, [http://www.asnbankverslag.nl/FbContent.ashx/pub\\_1000/Downloads/ASN\\_Bank\\_Report\\_2015.pdf](http://www.asnbankverslag.nl/FbContent.ashx/pub_1000/Downloads/ASN_Bank_Report_2015.pdf).
- 10 <https://www.asnbank.nl/web/file?uuid=d594df70-a91c-451c-8491-3f8c913ba50b&owner=9ccef6a9-c451-451a-963a-e931fe46c086&contentid=3368>.
- 11 [http://www.asnbankverslag.nl/verslag/CSearch.GRI/a1263\\_GRI-tabel](http://www.asnbankverslag.nl/verslag/CSearch.GRI/a1263_GRI-tabel) that leads to [http://www.asnbankverslag.nl/verslag/a1258\\_Lidmaatschappen-en-verklaringen](http://www.asnbankverslag.nl/verslag/a1258_Lidmaatschappen-en-verklaringen).
- 12 ASN Bank clarified to SOMO that it is not a member of the DBA/NVB; ASN Bank is mentioned as a member of the Dutch Banking Association (DBA/NVB) on the DAB/NVB website (<https://www.nvb.nl/vereniging/120/leden.html>) (last viewed 30 October 2016) with the note (when clicked on its name) that it is part of SNS Bank but without mentioning that it is not a member of the DBA/NVB itself).
- 13 <http://dufas.nl/over-dufas/lidmaatschap/> : see at the bottom of the website (last viewed 7 October 2016).
- 14 [http://www.asnbankverslag.nl/verslag/CSearch.GRI-tabel/a1263\\_GRI-tabel](http://www.asnbankverslag.nl/verslag/CSearch.GRI-tabel/a1263_GRI-tabel) : see indicator G4-16.
- 15 ASN Bank, ASN Beleggingsinstellingen Beheer B.V. Jaarverslag 2015, <http://www.asnbank.nl/web/file?uuid=4593ba8f-775a-4f82-9717-1ed-6c35f3d69&owner=9ccef6a9-c451-451a-963a-e931fe46c086&contentid=3931>: see from p. 4 onwards.
- 16 P. Sprengers, Head Sustainability policy and research, ASN Bank, in email to SOMO, 1 September 2016.
- 17 [http://ec.europa.eu/finance/consultations/2015/securitisation/index\\_en.htm](http://ec.europa.eu/finance/consultations/2015/securitisation/index_en.htm) (viewed 8 May 2016).
- 18 ASN Bank, ASN Beleggingsinstellingen Beheer B.V. Jaarverslag 2015.
- 19 [http://www.asnbankverslag.nl/verslag/a1263\\_GRI-tabel](http://www.asnbankverslag.nl/verslag/a1263_GRI-tabel) (last viewed 6 October 2016).
- 20 [http://www.asnbankverslag.nl/verslag/CSearch.GRI/a1258\\_Lidmaatschappen-en-verklaringen](http://www.asnbankverslag.nl/verslag/CSearch.GRI/a1258_Lidmaatschappen-en-verklaringen).
- 21 ASN Bank, 'Beleid over goed bestuur en ethisch handelen van ondernemingen', 23 June 2015, p. 10-11.
- 22 Ibidem.