

Minutes of the EBA MB meeting 6 February 2013

6 February 2013, 9:30-15:45

Location: EBA, London

Agenda item 1: "Opening & approval of the agenda and minutes"

1. The Agenda, the minutes of the EBA MB teleconference of 6 November 2012 and the minutes of the meeting of 15 November 2012 were approved.

Agenda item 2: "Internal Processes and Work Practices"

2. The Director of Regulations introduced the paper on the SCRePol working methods stressing the need to enhance efficiency given complexity and workload as regards the deliverables for 2013 within the regulatory area, the potential risks in delivering and resources needed. The Co chair of SCRePol gave a presentation on the suggested new working methods at SCRePol including the recourse to project teams.
3. The Executive Director noted that the general paper on the internal processes and work practices of the EBA is focused on how to improve a better interaction between the different structures operating within the EBA and attempts to identify some systematic way of classifying work streams.
4. The opinion of the MB was requested on both papers, in particular, whether: they agree with the classification work identified for each type of work, type of measures to be adopted by the EBA staff to improve interaction with Standing Committee structures and steps to be taken to clarify the delegation of responsibility from the BoS to the MB (or other delegated body).
5. Disagreements were expressed regarding the selection criteria that was applied to classify work streams into the proposed categories in the general paper.

Conclusion

6. The MB members supported the need for enhancing working methods and practices. The following comments were suggested by the MB: as regards the working methods at

SCRePol, a timetable and detailed skills profile should be added to know when the resources should be allocated within project teams; as regards the general working practices, the MB agreed that certain topics, in particular complex issues, would require more senior management involvement; the BoS could delegate tasks to the MB, especially when it comes to the decision making process on difficult issues; the MB or other delegated bodies should play an important role in the steering of some projects and this flexibility should go hand in hand with transparency towards the appropriate staff and substructure chairs involved in the topic. The comments suggested by the MB members will be incorporated into the documents. A revised version of the documents will be submitted to the February BoS meeting.

Agenda item 3: “Liquidity Road Map and Challenges of Liquidity Regulation”

7. This topic was introduced by the Director of Regulation. She briefly explained the state of play of the immediate deliverables in the “liquidity” area in application of CRD/CRR provisions and EBA mandates and the risks to their timely completion. The need for additional and more targeted resources to mitigate these risks was also underlined.
8. The views of the MB were requested as regards the potential risks to achieving deliverables and proposed mitigating actions.

Conclusion

9. The MB supported the note on Liquidity Road Map and Challenges of Liquidity Regulation and the need to break the standard process to some extent, especially "Reports", provided the policy recommendations remain discussed in the usual way at SCRePol. The Chairperson suggested including in the note the profile and skills of the experts required for the tasks to be assigned in the different areas. This would facilitate and accelerate the call for nomination of experts.

Agenda item 4: “Issues Paper on ESFS Review”

10. The Chairperson introduced the main issues identified in the paper presented to the MB. He added that this note highlights some of the difficulties experienced in the last years in implementing the EBA Regulation such as in binding mediation, stress tests, and representation in the legislative discussions or budgetary independence.
11. The MB was asked to assess each of these issues, and whether to table them for a more in depth discussion at the February 2013 BoS meeting.

Conclusion

12. The MB approved the paper be tabled at the February BoS meeting. The paper will be redrafted reflecting the comments suggested by the MB members. It was agreed that article 19 “Binding mediation power” and article 18 “Action in emergency situations” should be dropped.

Agenda item 5: “Single Supervisory Handbook”

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13. The Chairperson introduced the topic and stressed that a few areas should be identified to help addressing the loophole in the area of supervisory practices and their inconsistencies. The MB discussed the note prepared by the staff to frame the BoS discussion in February on the following issues: legal status of the Handbook, broad content/outline of the Handbook, interaction between the Handbook and Guidelines for common SREP, and modalities and governance of the project.
 14. The majority of the MB members supported the proposal and drew the attention to the question of resources needed for the work, how to strike a balance between harmonisation and consistency and leaving room for supervisory judgement on the other hand, where to put the focus, on already regulated areas, or where additional guidance is needed.
 15. The MB supported the proposed governance structure and allocating responsibility for the Handbook to the senior level Steering Committee. As regards the legal status, some members did not consider relevant whether the Handbook is legally binding as in their view there should be minimum requirements as regards best practices and clear statements on the target and scope to be achieved. MB members also stressed that the interaction with the ECB should be clarified and the ECB in its supervisory function should be involved in the development process.
 16. MB members also considered that the following areas should be covered in the Handbook in more detail and with first priority: supervisory review and evaluation process, supervisory programme and crisis management.

Conclusion

17. The MB supported the proposal for the development of the Single Supervisory Handbook although there are still some remaining concerns such as: legal status, procedural issues or allocation of resources. It was agreed that there is a need to start with a pilot project as well as to identify some pilot areas where the EBA could start working, like starting with SREP or its sub-component modules and also testing in the pilot interface with SGRAS. Work on the Guidelines and the project governance model. The paper will be sharpened along these points and will be presented at the February BoS meeting.

Agenda item 6: “Asset Quality Review”

18. A verbal update on Asset Quality Review was provided by the Chairperson.

Conclusion

19. MB members agreed on the importance of coordinating the Asset Quality Review with the ECB. The MB expressed mixed views on whether the stress test should either be delayed or structured in such a way to complement the AQR.

Agenda item 7: “Filing of a vacancy on the Banking Stakeholder Group”

20. The Chairperson noted that following the resignation of Mr Marcin Kawiński, there is a vacant position on the BSG.
21. The BSG’s RoP requires that the replacement candidates should be chosen from the list of original applicants to the BSG when it was established.

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22. The MB was also updated on the process for the selection of the next term of the BSG given that the current term of the BSG is due to expire in September 2013.

Agenda item 8: “Administrative and Operational Status Report”

23. The Director of Operations provided the MB with a summary overview of the main achievements of 2012 and with an outlook for 2013 in the key areas: Budget, human resources, procurement and IT.
24. The Executive Director updated the MB on the status of the office space. He stated that the EBA will restart the selection process of the office space in the second quarter of 2013; the European Parliament will be involved in the selection process from the very beginning. The MB will be duly informed of any development on the selection process.

Agenda item 9: “Draft Budget for 2014”

27. The EBA Preliminary Draft Budget for 2014 was submitted to the MB for discussion. The Director of Operations stated that the proposed increased budget for 2014 compared to 2013 budget is 25%. He added that this increase is driven by three main factors: proposed increased of headcount to 120, current rental agreements end in 2014 and to expansion of the EBA it is critical to select and fit out suitable premises before the rental agreements expires and implementation of Document Management System.
28. The MB members expressed their views on the draft budget for 2014. The European Commission asked the EBA to submit a very precise assessment/breakdown of the HR needs to justify the increase of the budget for 2014, and in particular, as regards the request for additional TA resources.

Conclusion

29. The MB approved the Draft Budget for 2014.

Agenda item 10: “Project approval document for IT Infrastructure Services”

30. The Director of Operations stated that this project was the result of a very long tender process that was completed in December 2012, shortly after the IT Strategy was approved by the BoS.
31. The MB was provided with a presentation on the project scope, objectives and approach.

Conclusion

32. The MB took note. The MB will be regularly informed of the state of play of the project.

Agenda item 11: “EBA Multiannual Staff Policy Plan 2014-2016”

33. The Multi-Annual Staff Policy Plan 2014-2016 that was submitted to the COM was presented to the MB.

Conclusion

34. The EBA Multiannual Staff Policy Plan 2014-2016 was approved by the MB.

Agenda item 12: “HR Implementing Rules: Decisions regarding Temporary Occupation of Management Posts, Middle Management Staff, Leave on Personal Grounds, Leave, Transfer of Pensions Rights”

35. The following Decisions were approved by the MB:

- Decision regarding Temporary Occupation of Management Posts, Decision regarding Middle Management Staff;
- Decision on adoption of Implementing Rules to SR by Analogy and Communication from the EC regarding the approval of the IR applied by analogy;
- Leave on Personal Grounds: Commission Decision - measures concerning leave on personal grounds for officials and unpaid leave for temporary and contract staff of the European Communities;
- Leave: Commission Decision: on introducing implementing provisions on leave;
- Transfer of Pension Rights: Commission Decision- on general implementing provisions for Article 11 and 12 of Annex VIII to the Staff Regulations on transferring pensions rights.

Agenda item 13: “A.o.B”

a) BoS Agenda:

36. The BoS draft agenda was tabled at the MB meeting for information.

Conclusion:

37. The MB agreed with the suggested BoS draft agenda subject to some minor amendments.

b) Court of Auditors:

38. The Chairperson informed the MB of a request from the Court of Auditors to attend the February BoS meeting.

Conclusion:

39. The MB agreed with the attendance of the Court of Auditors to the February BoS meeting with the exception of the confidential session.

List of Participants

Andrea Enria	Chairperson
Danièle Nouy	MB member
Paul Sharma	MB alternate
Uldis Cerps	MB alternate
Marja Nykänen	MB alternate
Matthew Elderfield	MB member
Raimund Röseler	MB member
Fernando Vargas	MB member
David Rozumek	Co-Chair of the SCRePol
Dominique Thienpont	European Commission
Adam Farkas	Executive Director
Isabelle Vaillant	Director Regulation
Peter Mihalik	Director Operations

Corinne Kaufman EBA Staff

Mario Quagliariello EBA Staff

Patricia Juanes Burgos EBA Staff