



EBA MB 2015 024rev1

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EBA Staff

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27 January 2015

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Location: London

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## Management Board – Final Minutes

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### Agenda item 1.: Opening and Approval of Agenda and Minutes

1. The Chairperson opened the Management Board (MB) meeting. The provisional agenda (document *EBA MB 2015 001rev2*) was approved. The draft minutes of the MB meeting of 19 November 2014 (document *EBA MB 2014 125rev1*) were approved.

### Agenda item 2.: Administrative and Operational Status Report

2. The Executive Director presented the administrative and operational status report of 2014 (document *EBA MB 2015 006*). He also informed the MB of the approved budget for 2015, which had been cut by 6.2% compared to the 2014 budget, and the changes to the three main budget headings (staff-related expenses, administrative and operational). The MB was informed about the move of the EBA to the new premises in One Canada Square, London; the full account of the financial implications of the move would be reported to the MB once the negotiations with the contractors had finalised. Finally, the MB was asked to approve a number of budget transfers to process final commitments related to the office move for a total of 26,670.67EUR.
3. MB Members queried about the possibility of re-balancing the three main budget headings such as to compensate the budget increase for staff-related expenses and the decrease of administrative and operational expenses. The Executive Director explained that staff-related expenses were largely rule-based and the room for compensating between headings as requested was therefore very limited.

### Conclusion

4. The MB took note of the administrative and operational report. The budget transfer request was approved.
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### Agenda item 3.: Outline of the draft EBA 2014 Annual Report

5. The Chairperson presented the outline of the draft report of EBA activities in 2014 (document *EBA MB 2015 007*). It was suggested to give more prominence to areas such as the Resolution Committee, the stress tests and the benchmarking exercise; it was also requested to clarify the relationship between achievements and deliverables.

#### Conclusion

6. The MB took note of the outline presented; the suggestions to the outline provided by the MB would be incorporated; the draft report would be circulated to the MB for further feedback once finalised.

### Agenda item 4.: Extension of Term Process for the EBA Chairperson and Executive Director

7. The Executive Director tabled a note, previously discussed with ESMA and EIOPA, on the process for the appraisal and extension of term of the current EBA Chairperson and Executive Director. While the assessment and ultimate decision on the term extension would rest with the Board of Supervisors as per the EBA founding Regulation, the MB would however conduct the preparatory work under the lead of the alternate Chairperson.
8. Some MB Members asked whether it would be possible to increase the openness of the process by inviting academia, industry, etc. to participate in the assessment. The Commission representative expressed doubts on the merits of such possibility and noted that the EBA founding Regulation was clear in that the assessment was a task of the BoS. More generally, he expressed support for the process proposed in the note, and confirmed that the Commission was very pleased with the way EBA had been steered over the recent years.

#### Conclusion

9. The MB agreed on the process and timeline. The EBA Head of the Legal Unit would support the process where necessary. Noting that the MB of ESMA and EIOPA were yet to discuss the process, it was agreed that, should it be amended as a result of those discussions, the EBA MB would be informed with the aim to align the process between the three ESAs. The process for assessment and term extension would be tabled at the BoS meeting of 24-25 February 2015 for formal adoption.

### Agenda item 5.: Multi-Annual Staff Policy Plan

10. The Executive Director presented the proposed multi-annual staff policy plan 2016-2018 (MSPP, document *EBA MB 2015 013*) which would be submitted to the European Commission by end-January 2015 and form the basis of the headcount proposal for the proposed 2016 EBA's budget.

11. MB Members requested changes to the MSPP in light of the budget cuts in 2015, and to amend the MSPP such as to reduce the number of temporary agents (TAs) in 2016 to 150 and to 155 in years 2017 and 2018. A quantification of the number of staff vis-à-vis the workload and the mandates set out in legislation was requested, too, although the Executive Director noted that it had proved very difficult to do so in the past in view of the increasing number of new mandates which prevented the EBA from establishing a headcount fully aligned with its workload.

12. The Commission representative asked for greater detail in the justification of the staff level included in the MSPP, and noted that it would be preferable if the EBA could submit a proposal in line with the Commission's 2013 Communication.

### Conclusion

13. The MSPP would be amended as requested and submitted to the MB for approval by written procedure.

## Agenda item 6.: EBA Decision on Working Time

14. A proposal to adopt by analogy the Commission Decision C(2014) 2502 of 15 April 2014 on working time was submitted for approval of the MB.

### Conclusion

15. The proposal was adopted.

## Agenda item 7.: EBA Draft Anti-Fraud Strategy 2015-2017

16. The Executive Director invited the MB to comment on the draft anti-fraud strategy (document *EBA MB 2015 009*). A MB member asked to know whether there had actually been any instances of fraud or attempted fraud at the EBA. In this regard, the EBA staff explained that no attempts or actual fraudulent events had been reported or discovered.

### Conclusion

17. Upon review of the draft strategy by the Commission and OLAF (the European Anti-Fraud Office), it would be submitted to the MB for approval by written procedure.

## Agenda item 8.: EBA Organisation Change

18. The Chairperson presented a proposal (document *EBA MB 2015 021*) for an internal re-organisation of the EBA whereby, as a result of the new tasks conferred upon the EBA by Directive 2014/59/EU (the BRRD) and the requirement of structural separation of supervisory and resolution tasks, a new, independent Resolution Unit would be established as of 1 February 2015. Resolution-related functions would be transferred from other Departments to

this Unit. Furthermore, the “Recovery, Resolution and Registration Unit” within the Department of Regulation would be dismantled and its non-resolution related regulatory functions would be transferred to other units of the Department. Finally, the “Home-Host Coordination Unit” within the Department of Oversight would be renamed “Supervisory Convergence Unit” and its functions would focus on supervisory convergence.

### Conclusion

19.The MB endorsed the proposed changes, which would be implemented as outlined in the proposal.

## Agenda item 9.: EBA 2016 Preliminary Draft Budget

20.The preliminary draft budget for 2016 was presented for approval (document *EBA MB 2015 015*). It was explained that the increase was justified, inter alia, by the increase of headcount, the phase-out of the rent-out period, and an EU decision whereby pension funding contributions for the staff would be shifted from the EU general budget’s to the Agencies’ budget.

21.Some MB Members requested, as previously discussed under the MSSP proposal, to decrease the proposed headcount for 2016 to 150.

### Conclusion

22.The EBA 2016 preliminary draft budget would be amended and re-submitted for approval of the MB by written procedure.

## Agenda item 10.: Revision of the Mandate of the EBA Taskforce on Payment Services

23.A revised version of the mandate of the EBA Taskforce on Payment Services, including a new task concerning the mandates assigned to the EBA in the proposed Multilateral Interchange Fee Regulation, was presented (document *EBA BS 2015 005*).

### Conclusion

24.The revised mandate was approved, however removing “multilateral” from the new task added.

## Agenda item 11.: Restructuring of subgroups under the Standing Committee on Oversight and Practices (SCOP)

25.The SCOP Chair presented a proposal to close the Subgroup on Risk Assessment Systems (SGRAS), the Subgroup on Implementation and Supervisory Practices (SGISP) and the Subgroup

on Home Host and Colleges (SGHhCO) under SCOP, and set up instead a new one, the Subgroup on Supervisory Effectiveness and Convergence (document *EBA BS 2015 016*).

26.MB Members discussed in general the chairmanship of subgroups, with a majority supporting competent authorities (CAs) chairing them, and only exceptionally an EBA co-chair. The Chairperson advocated however for deciding on a case-by-case basis without ruling out that EBA staff could act as chairs. The SCOP Chair noted his general preference for a CA chairmanship, however, for the new Subgroup on Supervisory Effectiveness and Convergence he sees benefits in a CA/Staff co-chairing.

27.A request was made to assess the different competences under each Standing Committee with a view to clearly defining the tasks assigned to each of them, in particular in those cases where certain tasks could fall under the remit of regulation and oversight. A stable solution in this regard was supported.

### Conclusion

28.The proposal as submitted to the MB was approved. A paper with the topics to be handled by the Subgroup on Supervisory Effectiveness and Convergence and the deliverables for the coming years would be tabled at the MB meeting of 18 March 2015.

## Agenda item 12.: Filling of Vacancies for the Banking Stakeholder Group (BSG)

29.A proposal to fill two vacancies in the Banking Stakeholder Group (BSG) was presented to the MB (document *EBA BS 2015 004*).

### Conclusion

30.The MB supported the proposal; the two candidates would be contacted to ascertain their current availability to become BSG Members, following which the BoS would have to approve their nomination.

## Agenda item 13.: Re-prioritisation of the 2015 EBA Work Programme

31.In light of the budget cuts in 2015, a proposal for re-prioritising some deliverables included in the EBA Work Programme 2015 was presented for the approval of the MB (documents *EBA MB 2015 019 and 020*).

32.MB Members suggested, amongst other things, to make a stronger case to the Commission for a stable budget by linking the steep increase of workload and mandates with the pace of headcount increase; and to underline the inherent risks and consequences of the re-prioritisation and to communicate that to the European Parliament, Commission and Council. There was however a request to ensure a certain degree of flexibility in the re-prioritisation

considering that the consequences of delaying certain deliverables could not be easily measured and, furthermore, could have an impact on other deliverables not affected by the proposed re-prioritisation. Finally, there was a request to define the criteria used for the proposal and, if possible, to quantify the resources needed for each deliverable.

33. Although not directly linked to the Work Programme 2015, there was a request to discuss a possible re-prioritisation of the work connected with the Basel framework.

### Conclusion

34. It was agreed to work on an estimation of the resources needed for each deliverable as well as a risk assessment of the consequences of their delay; this would also include the criteria used for the proposed re-prioritisation. On the work related to the Basel framework, it was agreed to discuss it at the MB of 02 June 2015.

- Consolidated Banking Data (CBD) Project (B-point)

35. It was explained that the written procedure launched to the MB in December 2014 for the consolidated banking data project, the collection of which had been conducted by the European Central Bank (ECB) to date, would not imply any increase in the amount of data to be submitted by CAs.

36. Some MB Members objected to this project being taken over by the EBA, noting that, amongst other things, this would imply a change of the format on which the reported data would be collected.

### Conclusion

37. The CBD Project was not approved; the BoS would be informed at its meeting of 24-25 February 2015.

- EBA Work on Supervision of IT Risks in Credit Institutions (B-point)

38. An own-initiative project was presented to the MB with different initiatives to address IT risk in credit institutions (document *EBA MB 2015 018*). SCOP would undertake the work on these initiatives.

### Conclusion

39. SCOP would discuss the proposal, which would be included in the Work Programme.

- Remaining work on Deposit Guarantee Schemes (B-point)

40. An own-initiative project to draft Guidelines on the stress tests which DGSs are required to perform under Article 4(10) of the DGS Directive, as well as an own-initiative project to draft

Guidelines on cooperation agreements between DGSs or designated authorities (Article 14(5) of the DGS Directive), were presented to the MB.

41. MB Members endorsed the proposals and asked to rely on information from CAs on best practices. It was suggested to conduct this work via a project team in order to leverage on the best level of expertise.

## Agenda item 14.: BoS February Meeting – Provisional Agenda

42. The provisional agenda for the BoS meeting of 24-25 February 2015 (document EBA MB 2015 003) was presented to the MB, who was invited to submit comments in the coming days, following which it would be sent to the BoS. The impact of the Swiss franc fluctuation would be discussed under risks and vulnerabilities.

## Agenda item 15.: AoB

43. A paper on the different contractual situations of temporary agents (TAs) working at the EBA but retaining an unpaid leave status in national CAs would be prepared by the EBA for discussion at the BoS meeting of 24-25 February 2015; this would form the basis for a discussion with the CAs on the possible alignment of their internal rules with the duration of contracts at the EBA, so as to avoid that staff would be forced to consider an early termination of contract with the EBA, before the latter is in a position to offer an indeterminate contract.
44. On a question by a MB Member to simplify the process to provide input to the EBA's survey of national CAs responsible for the different mandates under the EBA's remit, the Chairperson recalled that the survey was a mere stock-taking exercise to understand the split of competences in each Member State; it would also be useful for the EBA to identify the relevant authorities under national law whose experts could be invited to technical groups and other meetings. In any case, he stressed that the BoS Members would always remain the main contact points with the EBA.

**Andrea Enria**

**Chairperson**

**Participants at the Management Board meeting  
27 January 2015**

**Chairperson** Andrea Enria  
**Alternate Chairperson** Pedro Duarte Neves (Bank of Portugal)

<b><u>Country</u></b>	<b><u>Member/Alternate</u></b>
Germany	Raimund Roeseler
Italy	Luigi Federico Signorini
Netherlands	Jan Sijbrand
Poland	Andrzej Reich
Spain	Fernando Vargas Bahamonde
United Kingdom	Andrew Bailey

<b><u>EU Institution</u></b>	<b><u>Representative</u></b>
European Commission	Dominique Thienpont

**EBA Staff**

Executive Director Adam Farkas  
 Director of Oversight Piers Haben

Jonathan Overett Somnier; Corinne Kaufman; Fergus Power; Slavka Eley; Mario Quagliariello; Delphine Reymondon; Lars Overby; Stefano Capiello; Santiago Barón-Escámez.