

EBA MB 2022 014 rev. 1

Management Board

20 January 2022/09:30 – 12:00

Location: Teleconference

Management Board meeting – Final Minutes

Agenda item 1: Welcome and approval of the agenda and the Minutes (for decision)

1. Given the EBA's restrictions related to physical meetings, the Management Board (MB) meeting was held as a videoconference.
2. The Chairperson welcomed the Members. None of the MB Members declared any conflict of interest regarding the agenda items.
3. The Chairperson informed that the Minutes of the 18 November 2021 MB meeting were approved by the MB in the written procedure.

Conclusion

4. The MB approved the Agenda of the meeting.

Agenda item 2: Administrative and Operational Status Report (for information)

5. The Executive Director presented the Administrative and Operational Status Report. He noted that the tabled report provided a summary of the main highlights of 2021 and as every January, it presented annual retrospective of the EBA's activities. He stressed that again in 2021, the Covid-19 pandemic was part of the EBA's environment but it did not result in major issues for the organisation in the sense that staff was not, at the work level, massively affected and performed at the high level; budget execution was very high (at 98.5% and, for the carry forward, 97.9%), and that the EBA kept making progress in a number of structural areas, such as IT, collaboration, or EMAS preparations. He mentioned that the new internal organisation introduced in June 2021 was working well and would be completed soon, with two of three
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new directors recruited already and the third one to be recruited soon; two new Heads of Units for the ESG risks and Digital Finance already on board, and ongoing selection procedures for another two Heads of Units. He particularly thanked Karin Lundberg for her contributions in the selection procedures for the Directors. He noted that a few more minor further adjustments to the organisation were planned in 2022. He referred to the establishment of the Policy Coordination Unit (PC) as even more of the office reporting to the Chairperson and the Executive Director with three main roles (to be further refined) – Secretariat for the Board of Supervisors (BoS) and MB; Stakeholders’ engagement, and the Work programme and internal strategy. The handling of Q&As would be ensured by the relevant business units with an overall monitoring and support provided by the Legal and Compliance Unit. The latter would also coordinate peer reviews with the objective of doing more of these in a more focused manner as per the expectation of the legislator. He concluded by noting that the first 360-degree assessment of all managers was conducted and that subsequent coaching sessions were launched.

6. The EBA Director of Operations complemented by explaining that the service provider assisting with the implementation of the 360-degree assessment organised information sessions with staff and managers prior to launching. The project, including individual feedback sessions and coaching sessions was completed on 24 June 2021. The EBA has organised an executive coaching programme with an external provider for managers and team leaders. The programme was launched on 17 December 2021 and Coaching sessions were scheduled to run in the course of 2022.
7. The MB took note of the Report. One Member asked about the re-organisation of the standing committees. Another Member requested clarifications on the ECA audit on conflict of interest, its scope and whether it related to past cases. This Member also noted increased IT-related spending in lieu of reduced costs for missions and events during pandemic and asked for clarification on planned future budget.
8. The Executive Director explained that the audit on the conflict of interest was a horizontal review and that the EBA has been selected as one of a number of agencies within the scope. On the IT spending, he acknowledged the need for increased budget and explained that the EBA has been improving its security systems and other IT-related areas, in particular also due to the Covid-19 pandemic. In this regard he noted that the establishment of the IT committee had helped identify IT priorities for the coming years and manage scarce resources. Since 2020, a rebalancing had been possible between IT expenses and those for missions and meetings, and this may continue to a certain extent going forward. The Director of Operations concurred that given the reduced number of meetings and missions planned for the coming years, there was no risk that these costs would go back to the pre-pandemic levels. On the standing committees’ reorganisation, the Executive Director updated the MB and said that there have been discussions between the co-Chairs of the committees on the organisation of the work. The EBA Head of PC continued by adding that the Chairs were asked to review the mandates of their standing committees, in particular with regard to payments, and that the review should be concluded by the end of January.

9. The Chairperson concluded by noting the comments and said that the re-organisation of the standing committees was crucial for the EBA and that the MB would be updated at one of the next meetings on the progress.

Conclusion

10. The MB took note of the Administrative and Operational Status Report.

Agenda item 3: EBA Data Strategy (for discussion)

11. The Chairperson reminded the MB that the EBA defined its Data strategy in 2021, setting its data-driven vision, strategic goals, stakeholder value, future capabilities, and strategic roadmap for the next three to five years. The Data strategy capitalises on EUCLID which went live in 2020. He stressed that data was a key pillar for the EBA as an institution going forward. The collected data would enhance the analysis and product development and thanks to efficient data collections, there would be benefits also for the competent authorities (CAs).
12. The EBA Director of Data Analytics, Reporting and Transparency Department (DART) presented the main aspects of the EBA's data infrastructure and said that after the completion of EUCLID at the beginning of 2021, the EBA has been gathering full spectrum of EBA defined regulatory reporting covering: periodic supervisory and resolution reporting from 5000 banks, prudential reporting from 2800 investment firms (go-live in 2022), and payments data from 2700 payment institutions. The objective now is to release benefits for the EBA and CAs from the investments made in EUCLID. The EBA continues to be also closely involved in a number of EU-wide initiatives to further improve the quality and availability of financial reporting and data (EU's supervisory data strategy, integrated reporting, cost of reporting, use of LEI, European Single Access Point). She clarified that the EBA defined three strategic goals relating to Data acquisition (further standardisation, harmonisation, and integration of banking and financial regulatory data); Data processing and analytics (further broaden and deepen its analytics capabilities, strengthen its data-driven decision making, both by democratising these capabilities for non-technical people and by introducing advanced analytics capabilities), and Data dissemination (enable the EBA to share data and insights with internal stakeholders and the whole data ecosystem). The Director of DART concluded by outlining planned activities for years 2022 – 2024 and beyond.
13. The MB supported the work. Two Members asked for clarification on how far the planned data collections will be based on existing template procedures, i.e., CAs receiving templates from banks with less granular and adjusted data. They said that at the national level, they were conducting a feasibility study on the possibility of direct access to banking systems to pull granular data and proposed to consider this option also for the EBA. Another Member welcomed the extensive use of EUCLID. She asked how and when the data would be anonymized enough to be shared publicly noting that overlap with Pillar 3 would provide opportunities to disclose more data. One Member referred to the importance to implement the recommendations from the Cost of compliance study which could be applied also in this

strategy. Furthermore, she asked how the Pillar 3 data hub and the ESAP portal project worked together. A number of Members raised questions related to the sharing of data, legal possibilities and related security issues. One Member suggested that the EBA could develop an analytical tool to help the CAs to assess the data. Another member proposed to consider automated processing and APIs for the Pillar 3 hub. With regard to cooperation and coordination, the majority of Members were of the view that interaction with other stakeholders, in particular with the ECB, was a key goal and one Member noted the role of the EBA, in discussions with the ECB and other stakeholders, in addressing also non-banking Union countries' interests and concerns. One Member proposed to have an overview of data publications done by the EBA and other institutions and analyse where the EBA could bring an added value.

14. The EC representative stressed the importance of maintaining coordination and cooperation with the EC and other stakeholders.
15. In her response, the Director of DART noted that in the feasibility study presented at the BoS meeting in December 2021, the EBA has analysed various aspects of data granularity, use of templates and data collections and that these would be further discussed at the experts' level. With regard to data sharing, she explained that the aim was to ensure it for three main types of stakeholders – internal EBA users (with specific roles and exact limitations on the staff' use of data); general public (sharing of non-confidential data only), and within the supervisory community. The Director of DART also referred to the informal joint reporting committee to be established in 2022 and which will bring together the EBA, the ECB and all national authorities to coordinate reporting and move towards collaboration and joint work and further integration. The work on Pillar 3 hub will consider also automated processes and use of technology and will be developed in parallel with ESAP to ensure consistency.
16. The Executive Director stressed the already high level of interaction with the ECB, including excellent collaboration and a clear division of tasks. He also mentioned that the EBA would further analyse how specific confidentially agreements could be implemented in order to allow access for external to specific data sets.
17. The Chairperson concluded by noting the comments made by the MB.

Conclusion

18. The MB supported the work outlined in the EBA Data Strategy.

Agenda item 4: Work programme progress report (for information)

19. The Chairperson introduced the discussion by noting that it was a recurrent item on the MB agenda.
20. The Executive Director continued by informing that the dashboard in the progress report has been amended with an aim to provide clearer and easier to navigate list of the tasks which

were flagged as delayed in the last progress report in May 2021 and have been completed since then; the currently delayed tasks from the previous work programme on which the EBA was planning to continue working in 2022, with an indication of the planned delivery; and all the other tasks of the EBA's 2022 work programme (including those with a planned delivery date beyond 2022 but that would require some efforts already in 2022). He clarified that the dashboard did not include all ongoing tasks (in the sense of recurring) such as monitoring efforts and regular support work yet. With regard to the 2022 work programme, the Executive Director said that out of 147 core topics, the EBA was expecting to deliver 98 in 2022, 31 in subsequent years and 18 were delayed. The delay was caused mainly due to resources issues both at the EBA and CAs' level, complexity of topics and challenging Level 1 deadlines. He also mentioned that additional work was expected as a result of advanced legislative discussions on MiCA, DORA and CRD6/CRR3. The Executive Director specified that the tasks on the 2022 work programme were spread around the whole spectrum of EBA's activities and that 80% of tasks were related to policy and convergence and 20% to risk assessment and data without considering effort levels.

21. The MB took note of the progress report. One Member mentioned that under "Tasks from previous work programmes which are still pending" was a high number of delayed tasks and was of the view that this could give the impression that deadlines were not often met. He stressed that the deadlines should be realistic and that the EBA should discuss them during the legislative process. With regard to reports, and given their number, the Member suggested to explore possibilities to bundle reports, make them more focused and in some cases reduce their frequency. Other Member questioned how the EBA could improve completion of the work programme and timely meet deadlines and how the dashboard could help identifying tasks that should be prioritised and which could be de-prioritised.
22. The EC representative stressed the importance of the progress report, also for the EC. He mentioned that the delays were known to the EC given the good cooperation between EBA and the EC at experts' level. In this regard, he mentioned the regular letters in which the EBA informed the EC about any delays and based on which the EBA and EC agreed on revised deadlines. The EC representative highlighted that these letters were published and were therefore providing important information to stakeholders. In this context, he recommended that such letters be as complete as possible. Finally, he asked whether in the future, the EBA was planning to report also on recurring tasks, such as Q&A workstreams.
23. In his response, the Executive Director explained that in the future the progress report should include all tasks and that the EBA had been and would be working extensively on improving its planning and reporting tool and also to broaden the scope and provide as comprehensive and accurate information as possible. Going forward, the EBA was aiming at presenting the progress report in November yearly in order to discuss with the MB and subsequently prepare for the said letter to the EC informing of delays. He concurred on the possibility of more focused report and as one example, he mentioned the more focused reports on 3rd country equivalence that would be introduced in 2022.

24. The Chairperson concluded by noting the comments and agreed that the progress report should include all tasks, specific mandates as well as recurring items for the purpose of informing the MB.

Agenda item 5: MiCA and DORA – Update and outline of actions (for discussion)

25. The Chairperson introduced the item by reminding the MB that the EBA staff provided their last update on the topic of MiCA and DORA in March 2021. He also stressed that the EBA was closely liaising with the EC and the co-legislators on the legislative files.
26. The EBA Head of Conduct, Payments and Consumers (COPAC) who, in the absence of the Head of Digital Finance Unit, has been overseeing the work, continued by summarising the proposed oversight and supervision tasks for the EBA under the legislative proposals for DORA and MiCA following the adoption by the Council of its position on both files in November 2021 and by the European Parliament (EP) (on DORA only) in December 2021. He noted that in November 2021 an EBA-staff Project Team has been established specifically to support the EBA's operational preparedness for any oversight and supervision tasks, including via the preparation and execution of an implementation plan setting out the necessary actions towards operational preparedness with the overall aim of ensuring a smooth transition to the performance of any oversight and supervision tasks ultimately assigned to the EBA, whilst ensuring minimal disruption to the EBA's other work.
27. He then focused on considerations of resourcing for the performance of tasks and mentioned that the joint-ESA resources plan for DORA, and EBA-only estimates under MiCA, were being kept under continuous review as the nature and scope of oversight and supervision tasks evolve in the context of the legislative process. Finally, he stressed that due to a relatively slow progress, and high level of uncertainty, in the initial stages of the legislative process, the Project Team did not conclude the preparation of the implementation plan in 2021. However, given the progress in the legislative process at the end of 2021, the Project Team is planning to draft the implementation plan with key milestones towards operational preparedness to be activated when there is sufficient political clarity on the legislative file and to discuss this indicative plan with the MB at its next meeting in March or May 2022.
28. The Members took note of the progress, supported the work on the implementation plan and commented on the resources issues. One Member questioned how the estimated resources would be divided between different areas and how would staff positions change after some years, notably following the conclusion of any policy work. The Member also asked about the level of seniority given that the legislative financial statements foresaw lower grade positions (AD5) only. Another Member requested clarification on the practical cooperation on supervision between the three ESAs under DORA, and another Member agreed that the division of resources and tasks between the ESAs might not be efficient. One Member noted the need for clarity on the allocation of competences between the EBA and ECB under MiCA.

Other Member questioned whether any resources estimates could be done at all due to the ongoing nature of the legislative process.

29. The Head of COPAC explained that the EBA has provided feedback to the EC on the level of seniority given that the legislative financial statements accompanying the legislative proposals currently set out AD5 positions mainly, which were too junior for the tasks to be accomplished, and that the statement was also insufficiently flexible for the EBA to be able to respond to different scenarios that may materialise in terms of the development of the market and the number of entities to supervise within it.
30. The Head of COPAC also agreed and confirmed that, although certain clarifications have already been provided in the Council text for MiCA, a more detailed breakdown of supervisory tasks between the EBA and ECB would need to be developed.
31. The Executive Director, too, stressed the importance of senior experts for the envisaged tasks.
32. The Chairperson noted the comments and said that the division of tasks between the three ESA with regard to DORA has been supported by the EP and Council but without specifying how much oversight each of the ESAs was supposed to conduct. He noted that the MB supported the work on the implementation plan to be discussed at one of the upcoming MB meetings based on the progress on the legislative file.

Conclusion

33. The MB supported the work of the Project Team on the implementation plan for MiCA and DORA and looked forward to further discussions later in the year, depending on the pace of developments in the legislative phase.

Agenda Item 6: Provisional Agenda BoS 15 February conference call (for discussion)

34. The Chairperson reminded the MB that the next BoS meeting – conference call was scheduled for 15 February.
35. One Member noted that two planned AML reports were scheduled for discussion at the standing committee level on 10 February.
36. The Chairperson concluded by saying that the EBA would further discuss internally whether the two AML reports would be tabled for the BoS conference call or submitted to the BoS in written procedure.

Conclusion

37. The MB took note of the draft Agenda of the 15 February 2022 BoS conference call.

Agenda Item 10: AOB

38. The Chairperson reminded the MB that the Single Programming Document 2023 – 2025 had to be submitted to the EC, European Parliament, and the Council by 31 January 2022 and therefore, a shorter written procedure would be launched after the conference call followed by the written procedure with the BoS.
39. The Chairperson informed the MB that on 18 January 2022 the EBA held, together with the other ESAs, a virtual conference on gender equality. The Executive Director reminded the MB of the European Parliament's resolution and the EC's action plan on gender issues and noted his focus on the topic. He clarified that the ESAs were considering how to introduce discussions on gender issues in their day-to-day work and agreed that as a first step, a conference for the ESAs staff could provide a platform for the exchange of views.

Chairperson Jose Manuel Campa
EBA Vice-Chairperson Jo Swyngedouw

Member Maarten Gelderman
Member Kamil Liberadzki
Member Raimund Roeseler
Member Karin Lundberg
Member Helmut Ettl
Member Dominique Laboureix
Alternate Emmanuelle Assouan

European Commission representative Dominique Thienpont

EBA Directors

Executive Director	Francois-Louis Michaud
Director of Operations	Peter Mihalik
Director of Data Analytics, Reporting and Transparency	Meri Rimmanen

EBA Head of Units

Philippe Allard; Jonathan Overett Somnier; Gaetano Chionsini; Dirk Haubrich

EBA Experts

Tea Eger; Pilar Gutierrez; Erika Sole; Guy Haas; Elisabeth Noble; Andreas Papaetis

For the Management Board,

Done at Paris on 22 February 2022

[signed]

José Manuel Campa

EBA Chairperson