



EBA MB 2014 082rev1

---

EBA Staff

---

17 June 2014

---

Location: London

---

## EBA Management Board – Final Minutes

---

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

1. The Chairperson opened the meeting and welcomed all participants to the Management Board (MB) meeting. The provisional agenda was approved.
2. In an introductory remark, the Chairperson shared with MB Members his concerns about staff constraints being faced by the EBA and a continuous mounting pressure to deliver on mandates with tight deadlines, in particular in 2015, which would see an increase in deliverables, and a recent call for advice from the European Commission) asking the EBA to carry out supplementary work under the BRRD and the SRMR. In this context, he also voiced his concerns about the impact that the establishment of the SRM as an agency under DG MARKT would have on the Commission's attitude towards the EBA's budget. The Chairperson suggested that a message of concern should be conveyed to the Council and Parliament when presenting the EBA's Work Programme for 2015.

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

3. The EBA Director of Operations presented the regular administrative and operational status report (document *EBA MB 2014 067*) covering supporting areas since the last MB meeting on 09 April 2014.
  4. Some aspects of the report mentioned were: a) the training offered to NCAs was being very well received by NCAs; b) the data collection under the ESP2 project was going through a first round of reporting in July, and it was expected that 10 countries could provide full sets of data by then; c) the first phase of the Document Management System (DMS) project would be completed in 2014; and d) the migration of last remaining service (Colleges platform) from the Banque de France's IT infrastructure to the EBA's would be completed in 2014.
  5. As to the general budget, the Chairperson recalled that the 3 ESAs had asked, in the context of the ESFS review, an independent line to their budgets, to which the Commission had responded by acknowledging the current budget constraints. The Commission's representative informed that any possible changes to the different EBA budget lines could not be expected to
-

take place within the following two years, owing to the appointment of a new Commission by the end of 2014 and the need to prepare the Commission's response to the review by the Parliament; he also considered that possibly a funding system based on industry fees alike of the SRM's could be envisaged.

### Conclusion

6. MB Members took note of the administrative and operational status report.

## Agenda item 3.: EBA 2013 Annual Accounts

7. The Executive Director presented the 2013 final accounts (document *EBA MB 2014 055*) together with a report from the European Court of Auditors, where no reservations were made with regard to the implementation of the 2013 budget and the reliability of the financial statements. MB Members, in accordance with Article 64(4) of the EBA Regulation and Article 99 of the Financial Regulation of the EBA, were asked to adopt the Opinion on the 2013 final accounts.
8. MB Members were informed that the budget surplus of 2013 would be rebated to NCAs, on a proportionate basis in year 2015.

### Conclusion

9. MB Members adopted unanimously the Opinion on the 2013 final accounts. In accordance with Article 64(5) of the EBA Regulation, this Opinion, together with the final accounts, would be sent to the BoS Members, the European Parliament, the Council, the Commission and the European Court of Auditors by 1 July 2014. MB Members were invited to contact the EBA in case they needed more detailed explanations on the budget and auditing system.

## Agenda item 4.: Draft Decision on Thresholds to the EBA Education Contribution

10. MB Members were asked to adopt a decision (document *EBA MB 2014 059*) on thresholds to apply to the education contribution granted by the EBA to its staff members in cases of tuition fees above the education allowance (Article 3 of Annex VII of the Staff Regulations).

### Conclusion

11. The Decision was adopted unanimously.

## Agenda item 5.: Discharge of EBA 2012 Budget Implementation

12. The Executive Director informed MB Members of the decision on discharge adopted by the European Parliament at its meeting of 2<sup>nd</sup> and 3<sup>rd</sup> of April 2014 in respect of the

implementation of the EBA 2012 budget (documents *EBA MB 2014 061*, *EBA MB 2014 061 Annex I* and *EBA MB 2014 061 Annex II*).

### Conclusion

13.MB Members took note of the European Parliament's approval of discharge in respect of the implementation of the EBA's 2012 budget.

## Agenda item 6.: Conflicts of Interest

14.A revised version of the draft policy on conflicts of interest was submitted to MB Members (document *EBA MB 2013 093rev1*). It was explained that the idea would be that the three ESAs, to the extent possible, adopt a common policy. It was explained that comments by MB Members would, together with those of the Management Boards of the other two ESAs, be factored into the text, and a final, aligned policy document would be circulated for adoption via written procedure. A MB member pointed out that, should any further conflict of interests arise in the context of a meeting, the issue could be dealt with by submitting an ad-hoc declaration of interests (to be also recorded in the minutes).

### Conclusion

15.A written procedure would be launched so that MB Members submit comments in writing. An ESAs' joint note on enforcement of the conflicts of interest's policy to MB/BoS Members, and the possibility of including a clause to that effect in the employment contracts by NCAs, would be prepared.

## Agenda item 7.: Amendments to the Rules of Procedure of the Management Board

16.The Chairperson presented for approval of MB Members a draft new decision on Rules of Procedure of the Management Board (document *EBA MB 2014 068*) aimed at clarifying certain provisions in the current Rules of Procedure e.g. role of the alternate Chairperson, decision-making by written procedure, as well as to improve their structure. This new decision would repeal the current one.

17.MB Members suggested several changes to the new draft decision tabled, in particular: a) appointment of the alternate; b) to allow that just one MB Member could request that a matter subject to written procedure be discussed in a teleconference or in a meeting; c) publication of minutes.

### Conclusion

18.A written procedure would be launched to formally adopt the decision on Rules of Procedure of the MB, including the comments raised by MB Members.

## Agenda item 8.: EBA Request for BCBS Full Membership

19. The Chairperson explained that the EBA was considering to apply for membership at the Basel Committee on Banking Supervision (BCBS). He explained that the ECB SSM had applied to become a member which the BCBS was assessing. He viewed that given the standard-setting role of the BCBS, it would be appropriate for the EBA to become a member rather than remaining an observer, and should be given consistent treatment, as a minima to the SSM. MB Members did not support the proposal in light of concerns that it could adversely affect the position of national representations at the Basel Committee table.

### Conclusion

20. BoS Members' views would be sought at the restricted session of the BoS 24-25 June meeting.

## Agenda item 9.: BoS 10-11 July Away Day

21. The Chairperson debriefed MB Members on the progress with regard to the organisation of the Away Day in Krakow, Poland, on 10-11 July 2014.

22. The MB Member from Poland informed of the current organisational aspects as well as of the spouses' programme for Thursday 10 July before the social event.

### Conclusion

23. The Chairperson would continue working on the agenda.

## Agenda item 10.: Prioritisation for the Delivery of Technical Standards

24. The Director of Regulation presented this agenda topic, where the EBA sought guidance from MB Members on the re-prioritisation of work due to be done in 2014 for regulatory matters under CRR/CRDIV to be submitted to the Commission (document *EBA MB 2014 074*), due to the resource-constraints faced by the EBA; a more limited participation from national competent authorities (NCAs) in the EBA working groups; complexity of some of the mandates and tight deadlines; further, the receipt of 10 calls for advice from the European Commission beginning of 2014 for delivery during the first half of 2014.

25. The following technical standards were suggested to be delayed: Art. 152C CRR; Arts. 194, 199 CRR; Art. 363 CRR; Art. 422 and 425 CRR; Art. 495(3) CRR; Art. 136 CRR; Art. 270 CRR; Art. 515(1) CRR; and Art. 515(2) CRR. Furthermore, the following three RTS were expected to be slightly delayed: Art. 124 and 164; Art. 178(6); and Art. 144(2).

## Conclusion

26. MB Members endorsed the re-prioritisation but took note of the Commission's request that the RTS on assessment methodology for credit risk and market risk were not delayed. The EBA would identify tasks with imminent yet challenging deadlines to deliver on required time, as well as those that, if not met, could potentially create tensions in the markets as well as implementation issues; the EBA would also perform a classification of the different mandates per topic and skills and resources needed to deliver them; it would informally contact the various Commission units to keep them informed on progress.
27. On the call for technical advice for BRRD and SRMR, and with a view to identifying what could be delivered with the available limited resources, the EBA would contact the Commission to clarify priority areas; it would also contact NCAs and resolution authorities to identify staff that could work with the EBA for the delivery of these mandates; but in any case, their delivery would be conditional on available resources.
28. The draft Work programme 2015 would be updated taking this into account.

## Agenda item 11.: Draft EBA Work Programme for 2015

29. A draft work programme for the EBA in 2015 was presented by the Executive Director (documents *EBA MB 2014 070* and *EBA MB 2014 070 Annex*). The work programme should be adopted by the Board of Supervisors before 30 September 2014 on the basis of a proposal of the MB; and should be transmitted to the European Parliament, the Council and the Commission.
30. The main focus of the EBA in 2015 in terms of regulatory products would be the CRR/CRDIV, the Banking Recovery and Resolution Directive (BRRD) and the revision of the Deposit Guarantee Scheme Directive (DGSD); as regards oversight activities, the work on home host cooperation and supervisory convergence would be expanded to take into account the new tasks stemming from CRR/CRDIV and the BRRD; the establishment of colleges of supervisors under the SSM would also be a key task; the development of resolution plans, assessment of resolvability and assistance on recovery plans matters would also become a crucial task in 2015. The EBA would also carry out work in relation to the adoption of the Mortgage Credit Directive (MD) and the payment Accounts Directive and the proposed review of the Payment Services Directive (PSD 2).
31. MB Members asked for a readjustment of the prioritisation contained in the draft; also, for consideration of EBA staff risk indicators in the prioritisation analysis; finally, to include just one peer review per year.

## Conclusion

32. MB Members would send comments to the EBA on areas which should be included in the 2015 Work Programme; thereafter, it would be sent to BoS for comments and endorsement via

written procedure so that the final 2015 EBA Work Programme can be sent to the Commission and other EU institutions no later than 30 September 2014.

## Agenda item 12.: Delegated Acts on Liquidity and Leverage – Potential EBA Opinion

33. The Director of Regulations presented a paper (document *EBA MB 2014 071*) on a stock-take on the differences identified between the Commission's draft proposals on delegated acts for liquidity coverage ratio (LCR) (Art. 421(1) CRR) and for leverage ratio (LR) (Art. 429(2) CRR) vis-à-vis the Basel III rules and the agreed and published EBA reports/opinions on definition of liquid assets and impact of the LCR or EBA final guidelines. Noting that the proposals for delegated acts continued to be discussed within the Expert Group on Banking, Payment and Insurance, MB Members were asked for their views about a possible way forward to address these differences, namely the possibility of issuing an opinion addressed to the Commission; in this case, the focus would be on the delegated act for LCR and not on the delegated act on the LR as this appeared to be aligned with the Basel III framework. The Chairperson informed that BoS would also be consulted on this matter at its meeting of 24-25 June 2014.

### Conclusion

34. BoS Members' views would be sought at the BoS meeting of 24-25 June 2014.

## Agenda item 13.: Establishment of an EBA Taskforce on Payment Services

35. MB Members were asked to agree on the creation of a new taskforce on payment services (TFPS) in preparation for the adoption of the revised Payment Services Directive. A proposed mandate, envisaged composition, timelines and governance issues were presented (document *EBA MB 2014 072*). The proposed revised Directive would require that the EBA adopted two RTS and five GL. Moreover, and given that the envisaged mandate would fall across the remit of several Standing Committees (SC), it was proposed that the TFPS reported directly to BoS rather than to a specific SC.

36. A MB Member noted, with regard to the mandate and concerning ECB SecurePay recommendations, that it should stay as closely aligned as possible to avoid sunk costs by the payments industry, as a result of changes between the SecurePay recommendations, whose implementation has begun already, and the EBA guidelines. A MB member noted that some problems might arise with respect to the use of the SecurePay Forum's recommendations given that the PSD2 has not been finalised yet.

37. Another MB Member considered that the TFPS should report to a relevant Standing Committee/s (SC) so that BoS would be prevented from having to deal with technical issues.

## Conclusion

38. MB Members agreed with the proposal to set up a new TFSP. In terms of governance, the new TFSP would seek technical input and feedback from different SCs depending on the subject matter, with BoS involvement in final decision-making; also, the mandate would be amended to include the development of Guidelines based on the ECB SecurePay recommendations.

## Agenda item 14.: Discussion Note on Guidelines on Test and Exercises for Precautionary Recapitalisation

39. The Chairperson presented a draft Consultation paper (CP) on Guidelines (GL) on the types of tests, reviews or exercises which may lead to support measures under Article 32(4)(d)(iii) of Bank Recovery and Resolution Directive (BRRD) (document *EBA MB 2014 073 Annex*).

## Conclusion

40. The CP would be published without elaborating on the steps to take by NCAs following identification of a shortfall.

## Agenda item 15.: Standing Committee's Mandates

41. The discussion on this topic was postponed to the MB meeting of 24 September 2014.

## Agenda item 16.: Long-Term Office Project Implementation

42. In the context of the relocation of the EBA offices in December 2014, MB Members were asked to approve a delegation to the Executive Director for the approval of selection of vendors for individual fit-out packages and furniture, provided that they remain within the overall financial envelope approved by the budgetary authority (document *EBA MB 2014 062*).

## Conclusion

43. The delegation to the Executive Director was approved.

## Agenda item 17.: AoB

44. Two MB Members suggested the streamlining of BoS agendas in such a way that BoS Members could discuss at meeting topics which would have gone instead by written procedure; also, not to table at BoS meetings matters which have received consensus at standing committees.

45. MB Members agreed to prioritise topics for BoS agendas; they could also include topics that could go by written procedure so as to enable any BoS Member to suggest that it be discussed at the meeting instead. Finally, BoS Members would be reminded that they could suggest topics for discussion at BoS meetings, in accordance with the BoS Rules of Procedure.

- 46.A MB Member enquired the Commission representative on the state of play of the ITS on reporting, who confirmed that the expected publication date would be 28 June and the first remittance date, 30 June (reference date, end of March). The Commission representative recalled that the EBA had published on 02 December 2013 a reporting package and so had the Commission on 16 April 2014. He also urged the EBA to amend the DPM to align it with the liquidity template without waiting for the revision of the reporting package. Here, EBA staff noted that the press release agreed with the Commission and issued on 11 June 2014 informed that, as an exceptional measure, either the templates published on the Commission's website on 16 April, or the liquidity files published on the EBA website on 02 December 2013, could be used for the purposes of liquidity reporting in accordance with the Commission implementing act.
- 47.Finally, another MB Member recalled the importance of conduct risk, and the anti-money laundering and compliance questions that litigation could raise. The MB Member asked for an issues note on how credit institutions foresee this in their contingency plans; EBA staff recalled though that a note on conduct risk had been already drawn up; and that this issue was also one with prudential implications. The Chairperson then suggested bringing this topic to the Away day table on 10-11 July.



## Participants at the Management Board meeting

17 June 2014

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

### Country

Germany  
 Italy  
 Netherlands  
 Poland  
 Spain  
 United Kingdom

### Member/Alternate

Raimund Röseler  
 Luigi Federico Signorini  
 Jan Sijbrand  
 Andrzej Reich  
 Fernando Vargas Bahamonde  
 Andrew Bailey/Sasha Mills

### Institution

European Commission

### Representative

Dominique Thienpont

### EBA Staff

Executive Director Adam Farkas  
 Director of Regulation Isabelle Vaillant  
 Director of Operations Peter Mihalik  
 Director of Oversight Piers Haben

Corinne Kaufman; Dirk Haubrich; Jonathan Overett Somnier; Yves Leconnet; Santiago Barón Escámez