Decision of the European Banking Authority

of 20 September 2019

concerning preventive measures to address conflict of interest

Addressed to: José Manuel Campa, Chairperson, European Banking Authority (the “Chairperson”)

Submission of annual declaration of interest prior to taking up employment with the EBA

The Management Board


Having regard to Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials (Staff Regulations) and the Conditions of Employment of Other Servants (CEOS) of the European Economic Community and the European Atomic Energy Community², in particular Article 11 of the Staff Regulations,

Having regard to the EBA’s Policy on Independence and Decision-Making process for avoiding Conflicts of Interest (Conflict of Interest Policy) for Staff and other Contractual Parties (EBA DC 104rev1), in particular Article 10 thereof,

² OJ P 045 14.6.1962, p. 1385
Whereas:

(1) On 12 April 2019, the Chairperson submitted his Annual Declaration of Interest (Annex II EBA DC 104) to the EBA’s Ethics Officer, prior to his taking up employment with the EBA.

(2) In his Declaration, the Chairperson presents a list of 15 shareholdings in nine different companies. For nine of the shareholdings, he identifies a date of sale of not later than 12 April 2019. Two of the shareholdings are in companies that fall outside the scope of the EBA’s actions. The remaining four shareholdings related to shares that he will acquire under Banco Santander’s share retention scheme, whereby he will become the owner of a number of shares in February of each of the four years 2020 – 2023.

(3) In his Declaration, the Chairperson also identifies as a source of conflict of interest his employment from 2014 – 2019 by Banco Santander, where he was head of investor relations for the group (May 2014 – December 2014) and Group Head of Regulatory Affairs (January 2015 – March 2019). He also represented Banco Santander as a Director of Santander Bank Polska, a majority-owned affiliate of Banco Santander in Poland (2017 – March 2019).

(4) The significance of the Banco Santander group to the European banking sector and the Chairperson’s ongoing financial interest in Banco Santander present a clear conflict with the legitimate interests of the EBA. This can be managed by putting in place preventive measures.

(5) The EBA’s Ethics Guidelines allow the EBA to require incoming staff to sell shares in institutions that are within the scope of the EBA’s actions before they enter into service or within a period of time set by the EBA.

(6) The Management Board has taken into account the advice of the Advisory Committee on Conflicts of Interest (ACCI). While the ACCI had proposed specific restrictions on decision-making by the Chairperson based on the current EBA constituent act and on proposed amendments to the act arising from the ESA’s review, there are other areas of his responsibilities that are not covered by the specific restrictions. It is thus considered appropriate that the restrictions should be broadened to cover all situations implying a Banco Santander direct and specific interest. This restriction should run for the period for which the Chairperson continues to have a direct financial interest in Banco Santander through the shares that he is required to maintain. The restrictions should also be extended to reflect recent proposals of the Management Board in relation to lobbying restrictions for other senior managers.

(7) This decision should take effect immediately. The Board of Supervisors shall be informed of this decision.
Has decided as follows:

Article 1 – Preventive measures

1. The Chairperson shall divest himself of his shares in Banco Santander within 30 days of the end of the retention period applicable to those shares. When this date would conflict with the publication of market relevant data by EBA (e.g. stress test results) the Chairperson shall liaise with the Alternate Chairperson and, subject to the instructions of the Alternate Chairperson, shall dispose of the shares after the publication of such data.

2. The Chairperson shall not, for 24 months from the date of his entry into service with the EBA, have professional contact with staff or representatives of Banco Santander in the context of lobbying and advocacy.

3. The Chairperson shall recuse himself from any decision-making, and where necessary hand over to the Alternate Chairperson, in relation to any matter which is of direct and individual concern to Banco Santander. The restriction remains in place for as long as the Chairperson has an interest in shares in Banco Santander.

Article 2 – Implementation

The EBA Ethics Officer shall keep a record of these preventive measures.

This Decision enters into force immediately.

Done at Paris

20 September 2019

Jo Swyngedouw
Alternate Chairperson
For the Management Board