

23 August 2019

ACCI

CONFIDENTIAL

ACCI – Chairperson Annual Declaration of Interests

Prior to his taking up employment with the EBA, the incoming Chairperson, José Manuel Campa, submitted his Annual Declaration of Interest (ADoI)¹ form to the EBA Ethics officer, in accordance with EBA DC 104(rev1). Article 10 of this decision requires the Advisory Committee on Conflict of Interest to review the Chairperson's ADoI and, in the case that the ACCI identifies an actual or potential conflict of interest (CoI), to "provide initial advice, including any preventative measure, to the EBA's Management Board, which shall be chaired by the Alternate Chairperson, for its approval."

Interests declared

The Chairperson has declared the following financial assets that could give rise to conflicts of interests:

[REDACTED]

He has declared the following other relevant sources of conflict of interest:

- Employment by Banco Santander from May 2014 to March 2019, where his responsibilities included:
 - Head of investor relations from May-December 2014;
 - Group Head of Regulatory affairs from January 2015 to March 2019;
 - Director of Santander Bank Polska (2017 to March 2019).

¹ <https://eba.europa.eu/documents/10180/958241/Jose+Manuel+Campa+aDOI.pdf/1f3d7a26-d32e-45b9-b362-03bd325ffba1?version=1.0>

ACCI advice

In considering its advice, the ACCI reviewed the Chairperson's tasks and responsibilities as set out in the EBA founding regulation (extracted as Annex 1) and also looked at tasks and responsibilities set out in the proposed amendments to the founding regulation² (Annex 2). These amendments increase the role of the Chairperson, in particular in relation to Breach of Union law cases (Article 17), in cases of disagreements between competent authorities in cross-border situations (Article 19), and in cases of inquiries into financial institutions posing potential threats to the stability of the financial system (Article 22.4).

Advice:

1. The Chairperson must 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) he should liaise with the Alternate Chairperson and dispose of the shares after the publication of such data.
2. The Chairperson should refrain from having any contact with staff or representatives of Banco Santander in the context of lobbying and advocacy for one year from his appointment.
3. The Chairperson should recuse himself from any decision-making, and hand over to the Alternative Chairperson, in relation to Articles 17, 19 or 22.4 of the EBA founding regulation where an involvement of Banco Santander is directly implicated.

Annexes

1. Chairperson's tasks and responsibilities as contained in the current founding regulation
2. Chairperson's tasks and responsibilities as contained in the proposed amended founding regulation (arising from the ESAs review)

² 02010R1093 —EN —30.03.2019 —006.001 —1

Annex 1 Current EBA founding regulation

Article 19

Settlement of disagreements between competent authorities in cross- border situations

6. In the report referred to in Article 50(2), the Chairperson of the Authority shall set out the nature and type of disagreements between competent authorities, the agreements reached and the decisions taken to settle such disagreements.

Article 41

Internal committees and panels

1a. For the purposes of Article 17, the Board of Supervisors shall convoke an independent panel, consisting of the Chairperson of the Board of Supervisors and six other members, who are not representatives of the competent authority alleged to have breached Union law and who have neither any interest in the matter nor direct links to the competent authority concerned.

Each member of the panel shall have one vote.

Decisions of the panel shall be taken where at least four members vote in favour.

2. For the purposes of Article 19, the Board of Supervisors shall convoke an independent panel consisting of the Chairperson of the Board of Supervisors, and of six other members who are not representatives of the competent authorities party to the disagreement and who have neither any interest in the conflict nor direct links to the competent authorities concerned.

Each member of the panel shall have one vote.

Decisions of the panel shall be taken where at least four members vote in favour.

Article 44

Decision-making

4. The non-voting members and the observers, with the exception of the Chairperson, the Executive Director and the European Central Bank representative nominated by its Supervisory Board, shall not attend any discussions within the Board of Supervisors relating to individual financial institutions, unless otherwise provided for in Article 75(3) or in the acts referred to in Article 1(2).

SECTION 3

Chairperson

Article 48

Appointment and tasks

1. The Authority shall be represented by a Chairperson, who shall be a full-time independent professional.

The Chairperson shall be responsible for preparing the work of the Board of Supervisors and shall chair the meetings of the Board of Supervisors and the Management Board.

2. The Chairperson shall be appointed by the Board of Supervisors on the basis of merit, skills, knowledge of financial institutions and markets, and of experience relevant to financial supervision and regulation, following an open selection procedure.

Before taking up his duties, and up to 1 month after the selection by the Board of Supervisors, the European Parliament may, after having heard the candidate selected by the Board of Supervisors, object to the designation of the selected person.

The Board of Supervisors shall also elect, from among its members, an alternate who shall carry out the functions of the Chairperson in his absence. That alternate shall not be elected from among the members of the Management Board.

3. The Chairperson's term of office shall be 5 years and may be extended once.

4. In the course of the 9 months preceding the end of the 5-year term of office of the Chairperson, the Board of Supervisors shall evaluate:

- (a) the results achieved in the first term of office and the way they were achieved;
- (b) the Authority's duties and requirements in the coming years.

The Board of Supervisors, taking into account the evaluation, may extend the term of office of the Chairperson once subject to confirmation by the European Parliament.

5. The Chairperson may be removed from office only by the European Parliament following a decision of the Board of Supervisors.

The Chairperson shall not prevent the Board of Supervisors from discussing matters relating to the Chairperson, in particular the need for his removal, and shall not be involved in deliberations concerning such a matter.

Article 49

Independence

Without prejudice to the role of the Board of Supervisors in relation to the tasks of the Chairperson, the Chairperson shall neither seek nor take instructions from the Union institutions or bodies, from any government of a Member State or from any other public or private body.

Neither Member States, the Union institutions or bodies, nor any other public or private body shall seek to influence the Chairperson in the performance of his tasks.

In accordance with the Staff Regulations referred to in Article 68, the Chairperson shall, after leaving service, continue to be bound by the duty to behave with integrity and discretion as regards the acceptance of certain appointments or benefits.

Article 49a

Expenses

The Chair shall make public meetings held and hospitality received. Expenses shall be recorded publicly in accordance with the Staff Regulations.

Article 50

Report

1. The European Parliament and the Council may invite the Chairperson or his alternate to make a statement, while fully respecting his independence. The Chairperson shall make a statement before the European Parliament and answer any questions put by its members, whenever so requested.

2. The Chairperson shall report in writing on the main activities of the Authority to the European Parliament when requested and at least 15 days before making the statement referred to in paragraph 1.

3. In addition to the information referred to in Articles 11 to 18 and Articles 20 and 33, the report shall also include any relevant information requested by the European Parliament on an ad-hoc basis.

Proposed founding regulation, arising from ESAs review

Article 19

Settlement of disagreements between competent authorities in cross- border situations

1b. The Chairperson shall assess whether the Authority should act in accordance with paragraph 1. Where the intervention is at the Authority's own initiative, the Authority shall notify the competent authorities concerned of its decision regarding the intervention. Pending the Authority's decision in accordance with the procedure set out in Article 47(3a), in cases where the acts referred to in Article 1(2) require a joint decision to be taken, all competent authorities involved in the joint decision shall defer their individual decisions. Where the Authority decides to act, all the competent authorities involved in the joint decision shall defer their decisions until the procedure set out in paragraphs 2 and 3 is concluded.

6. In the report referred to in Article 50(2), the Chairperson of the Authority shall set out the nature and type of disagreements between competent authorities, the agreements reached and the decisions taken to settle such disagreements.

Article 22

General provisions on system risks

4. Upon a request from one or more competent authorities, the European Parliament, the Council or the Commission, or on its own initiative, the Authority may conduct an inquiry into a particular type of financial institution or type of product or type of conduct in order to assess potential threats to the stability of the financial system or to the protection of customers or consumers. Following an inquiry conducted pursuant to the first subparagraph, the Board of Supervisors may make appropriate recommendations for action to the competent authorities concerned. For those purposes, the Authority may use the powers conferred on it under this Regulation, including Article 35.

Article 30

Peer reviews of competent authorities

1a. For the purposes of this Article, the Authority shall establish ad hoc peer review committees, which shall be composed of staff from the Authority and members of the competent authorities. The peer review committees shall be chaired by a staff member from the Authority. The Chairperson, after consulting the Management Board and following an open call for participation, shall propose the chair and the members of a peer review team, which shall be approved by the Board of Supervisors. The proposal shall be considered adopted unless the Board of Supervisors adopts a decision to reject it within 10 days.

Article 41

Internal committees

1a. For the purposes of Article 17 (Breach of Union Law), and without prejudice to the role of the committee referred to in Article 9a(6), the Chairperson shall propose a decision to convene an independent panel, to be adopted by the Board of Supervisors. The independent panel shall consist of the Chairperson of the Board of Supervisors and six other members, to be proposed by the Chairperson after consulting the Management Board and following an open call for participation. The six other members shall not be representatives of the competent authority alleged to have breached Union law and shall have neither any interest in the matter nor direct links to the competent authority concerned.

Each member of the panel shall have one vote.

Decisions of the panel shall be taken where at least four members vote in favour.

2. For the purposes of Article 19, and without prejudice to the role of the committee referred to in Article 9a(6), the Chairperson shall propose a decision to convene an independent panel, to be adopted by the Board of Supervisors. The independent panel shall consist of the Chairperson of the Board of Supervisors and six other members, to be proposed by the Chairperson after consulting the Management Board and following an open call for participation. The six other members shall not be representatives of the competent authorities party to the disagreement and who have neither any interest in the conflict nor direct links to the competent authorities concerned.

Each member of the panel shall have one vote.

Decisions of the panel shall be taken where at least four members vote in favour.

2a. For the purposes of conducting the inquiry provided for in Article 22(4) first subparagraph, the Chairperson shall be also able to propose a to launch the inquiry and to convene an independent panel, to be adopted by the Board of Supervisors. The independent panel shall consist of the Chairperson of the Board of Supervisors and six other members, to be proposed by the Chairperson after consulting the Management Board and following an open call for participation.

Each member of the panel shall have one vote.

Decisions of the panel shall be taken where at least four members vote in favour.

3. The panels referred to in paragraphs 1a and 2 of this Article or the Chairperson shall propose decisions under Article 17, or Article 19, except on matters concerning the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, for final adoption by the Board of Supervisors. A panel referred to in paragraph 2a of this Article shall present the outcome of the inquiry conducted pursuant to Article 22(4) first subparagraph to the Board of Supervisors.

4. The Board of Supervisors shall adopt rules of procedure for the panels referred to in this Article

Article 42

Independence of the Board of Supervisors

3. Before any meeting which they are to attend, Members of the Board of Supervisors, the Chairperson as well as non-voting representatives and observers participating in Board meetings shall accurately and completely declare the absence or existence of any interest which might be considered prejudicial to their independence in relation to any items on the agenda, and shall abstain from participating in the discussion of and voting upon such points.

SECTION 3

Chairperson

Article 48

Appointment and tasks

1. The Authority shall be represented by a Chairperson, who shall be a full-time independent professional.

The Chairperson shall be responsible for preparing the work of the Board of Supervisors, including setting the agenda to be adopted by the Board of Supervisors, convening the meetings and tabling items for decision and shall chair the meetings of the Board of Supervisors

The Chairperson shall be responsible for setting the agenda of the Management Board, to be adopted by the Management Board and shall chair the meetings of the Management Board.

The Chairperson may invite the Management Board to consider setting up a coordination group in accordance with Article 45c.

2. The Chairperson shall be selected on the basis of merit, skills, knowledge of financial institutions and markets, and of experience relevant to financial supervision and regulation, following an open selection procedure which shall respect the principle of gender balance and shall be published in the Official Journal of the European Union. The Board of Supervisors shall draw up a shortlist of qualified candidates for the position of the Chairperson, with the assistance of the Commission. Based on the shortlist, the Council shall adopt a decision to appoint the Chairperson, after confirmation by the European Parliament. Where the Chairperson no longer fulfils the conditions referred to in Article 49 or has been found guilty of serious misconduct, the Council may, on a proposal from the Commission which has been approved by the European Parliament, adopt a decision to remove him or her from office.

3. The Chairperson's term of office shall be 5 years and may be extended once.

4. In the course of the 9 months preceding the end of the 5-year term of office of the Chairperson, the Board of Supervisors shall evaluate:

(a) the results achieved in the first term of office and the way they were achieved;

(b) the Authority's duties and requirements in the coming years.

For the purpose of the evaluation referred to in the first subparagraph, the tasks of the Chairperson shall be carried out by the Vice-Chairperson. The Council, on a proposal from the Board of Supervisors and the assistance from the Commission and taking into account the evaluation, may extend the term of office of the Chairperson once.

The Chairperson may be removed from office only on serious grounds. He or she may only be removed so by the European Parliament following a decision of the Council, adopted following consultation of the Board of Supervisors.

Article 49

Independence of the Chairperson

Without prejudice to the role of the Board of Supervisors in relation to the tasks of the Chairperson, the Chairperson shall neither seek nor take instructions from the Union institutions or bodies, from any government or from any other public or private body.

Neither Member States, the Union institutions or bodies, nor any other public or private body shall seek to influence the Chairperson in the performance of his tasks.

In accordance with the Staff Regulations referred to in Article 68, the Chairperson shall, after leaving service, continue to be bound by the duty to behave with integrity and discretion as regards the acceptance of certain appointments or benefits.

Article 49a

Expenses

The Chairperson shall make public all meetings held with external stakeholders within a period of two weeks following the meeting and any hospitality received. Expenses shall be recorded publicly in accordance with the Staff Regulations.