



12 March 2018

Selection Procedure to renew the Banking Stakeholder Group (BSG)

1. The Selection Procedure shall follow the requirements laid down in Article 37 and Recital 48 of the European Banking Authority (EBA) Regulation (EU) No 1093/2010, which is also contained as an Annex to the Call for Interest (Cfi).
2. In particular, the following number of representatives per category of stakeholders is envisaged:
 - ▶ Individuals representing the interest of credit and investment institutions¹: **10 stakeholders (including 3 stakeholders** representing cooperative and savings banks).
 - ▶ Individuals representing the i) interest of employees' representatives and trade unions: **2 stakeholders**; ii) consumers: **5-6 stakeholders**; iii) users of banking services: around **4-5 stakeholders**.
 - ▶ Individuals representing the interests of small and medium-sized enterprises (SMEs): preferably **2 stakeholders**.
 - ▶ Independent top-ranking academics: at least **5**, but no more than **6 stakeholders**.
3. The final number of proposed candidates per category of stakeholders should be decided on the basis of the applications reflecting the most suitable candidates, bearing in mind the Regulation's requirement for gender and geographical balance. The generally applied criteria and the specific criteria per category of stakeholders, as presented below, should also be considered. Current BSG members may be reappointed, as set out in Article 37 (4) of the Regulation.
4. Further, according to the Article 37.4 of the EBA Regulation, BSG members shall serve for a period of two-and-a-half years. According to the EBA's policy, current BSG members who have been appointed after the Group's renewal in April 2016 will continue to take part in the BSG until they have served for a period of two-and-a-half years.

¹In selecting the representatives of this category, EBA staff will have a broad interpretation of the definition of "credit and investment institutions" having regard to Recital 48, Article 4(1) and Article 37 of the EBA Regulation, the 4th Money Laundering Directive and the envisaged revised Payment Services Directive, so as to enable the inclusion of credit intermediaries and creditors (including non-bank creditors), Payment Institutions and E-money institutions.

5. Accordingly, the EBA envisages appointing 22 members in the above-mentioned category for a period of two-and-a-half years, as follows:
 - 3 members in the category of consumers;
 - 7 members in the category of the representatives of the credit and investment institutions;
 - 2 members in the category of the representatives of employees and trade unions;
 - 1 member in the category of the representatives of SMEs;
 - 4 or 5 members in the category of the representatives of top-ranking academics;
 - 4 or 5 members in the category of the representatives of users of banking services.

Gross list of applications received

6. Following the closing of the CfI, the EBA Staff shall produce a gross list of the applications received. The EBA Staff shall perform a check whether applications have been complete and correctly submitted, but in the interest of the EBA, such applications may be included in the list of proposed stakeholders, in case deficiencies are rectified.
7. The main reasons for considering an application as incomplete or wrongly submitted are presented below:
 - no submission of the candidate's CV or of motivation letter;
 - the wrong application form is used; in particular some candidates may use the application form provided by ESMA or EIOPA in response to calls of interest for the setting up of their respective Stakeholder Groups;
 - the application is withdrawn and an alternate candidate from the same organisation is announced, while the deadline for submitting applications has already expired;
 - indicated capacity in the application form does not fall in any of the available categories;
 - the application form is not signed.

Internal Selection Procedure – Governance

8. After receipt of the applications, the EBA Staff shall perform an initial quality review of the list of candidates.
9. The applications shall then be further analysed by the EBA Staff. This task shall be performed primarily by the EBA's Policy Coordination Unit in consultation with the EBA Legal Unit, Heads of Units covering consumer topics, the EBA's Executive Director and the EBA Chairperson. A decision on a proposed shortlist of candidates shall be taken by the above mentioned parties. The shortlist shall contain 22 proposed candidates and additional 15-20 reserve candidates (at least two for each category)².

² According to the EBA's policy, BSG members are appointed for a period of two-and-a-half years, meaning that those of BSG members who have been appointed after the official renewal of the BSG in April 2016 will serve until the expiry of their term. Consequently, only 22 members out of 30 will be renewed in October 2018.

10. In their assessment, involved EBA Staff shall take into account the criteria further set out below including those regarding each category of stakeholders. Candidates missing any of these criteria will neither be included in the shortlist nor in the reserve list.
11. Involved EBA Staff are required to raise any potential conflicts of interest in relation to any of the received applications with the EBA Ethics Officer.
12. After establishing a shortlist of preferred candidates regarding each category, the EBA's Management Board shall have the possibility to pick any candidate from those discarded by the EBA, but not to include any further, i.e. new candidates. Proposed candidates advanced by the EBA's Management Board represent a "closed universe" for the decision of the EBA's Board of Supervisors.
13. The proposed candidates shall be contacted by the EBA after the EBA's Management Board discussion in order to confirm their availability in advance of the discussion at the EBA Board of Supervisors.
14. Following the EBA's Management Board's decision, the proposal shall be submitted for the approval of the EBA's Board of Supervisors.
15. The appointed candidates shall be informed and the result shall be made public and published on the EBA's website.

Generic and category-specific criteria

Generic criteria

16. For all categories of stakeholders, the quality of the candidate shall be assessed and proved through their professional experience, reputation, academic and professional qualifications.
17. The BSG is composed of categories listed above, representing relevant stakeholders in the field of activities of the EBA. To guarantee unbiased judgement, each member of the BSG must only represent one category³ and not be in a situation of conflict of interest with another category represented in the BSG.
18. Generally, while not explicitly limiting representation per country, the EBA shall ensure the geographical balance between different EU Member States, nationalities and regions, across the BSG, and also for each of the sub-category, where there are more than two representatives as requested by the Ombudsman.
19. Regarding the nationality of the individual, it should be kept in mind that BSG members serve in a personal capacity while also respecting the above mentioned geographical balance. Regarding entities, a general preference should be given to European entities versus national ones, nonetheless, and to large cross-border banking groups, with European/International

³ I.e. each candidate may only submit an application for one single category that he/she wishes to be considered.

presence, versus national ones. Some exemptions to this criterion may be applied, mainly due to its interaction with other general and category-specific criteria.

20. The EBA shall ensure an appropriate gender balance, taking into account the applications received.

21. **Representation of stakeholders across the Union** – the EBA shall aim at ensuring an adequate representation of stakeholders across the Union. An over representation of regions or areas or certain categories of stakeholders representing only particular regions or areas should be avoided.

22. The EBA shall have regard to relevant experience of a candidate at the European/international level in addition to a national-orientated expertise. Moreover, the EBA shall consider also including, under the same category of stakeholders, candidates from national-based organisations/entities, not represented within the aforementioned European entities.

Eligibility criteria

23. The following three mandatory criteria are stated in the Cfl:

▶ **Experience:** minimum 4 years of relevant professional experience in the financial services sector or relevant to it for all BSG membership categories. The professional experience and expertise (“professional quality”) of a candidate shall be a prime criterion to be used when selecting among candidates. However, we note that experience beyond the minimum criteria shall be highly valued and in most cases be necessary.

▶ **Availability** to participate in meetings at least 4 times a year and commitment to deliver active contributions and to carry out significant work between meetings to prepare the output of the Group (opinions, feedback statements, position papers, reports etc.).

▶ **English command:** have sufficient English written and oral communication skills to enable the candidate to actively participate in the BSG as English is the working language of the EBA.

24. In addition to the above requirements, the following exclusion criteria will be considered:

▶ The candidate is in a situation of conflict of interest.

▶ The candidate has been convicted of an offence concerning his professional conduct by a judgment which has the force of res judicata.

▶ The candidate has been guilty of grave professional misconduct.

- ▶ The candidate has been the subject of a judgment, which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Union's financial interests.

Category-specific criteria

25. The following specific description of the different categories shall be considered:

■ *Credit and Investment Institutions*

26. Includes individual representatives and representatives of associations currently employed by or acting on behalf of Union credit and investment institutions⁴, representing the diverse models and sizes of financial institutions and businesses, including, as appropriate, financial market practitioners, institutional investors and other financial institutions which themselves use financial services. Within this category should also include representatives from credit intermediaries and creditors (including non-bank creditors), Payment Institutions, E-money institutions and Investment Firms.

27. To maintain a geographical balance, a maximum of one institution per country shall be set in this category. Some exemptions in this criterion should allow for the representation of national, medium-sized entities.

■ *Consumers*

28. This category includes representatives of consumer organisations or any individuals with a proven expertise in the area of consumer protection in financial services.

⁴ In selecting the representatives of this category, EBA staff will have a broad interpretation of the definition of "credit and investment institutions" having regard to Recital 48, Article 4(1) and Article 37 of the EBA Regulation, the 4th Money Laundering Directive and the revised Payment Services Directive (PSD2), so as to enable the inclusion of credit intermediaries and creditors (including non-bank creditors), Payment Institutions, E-money institutions and Investment Firms.

■ *Users of banking services*

29. This category includes individuals and associations delivering services and advice to consumers, including other retail users of banking services and end users of banking products, but not providers of banking services.

■ *Employees*

30. This category includes associations, bodies, individuals, or others which represent the interest of employees and trade unions, which may be paid by their employer.

■ *Representatives of SMEs⁵*

31. This category includes individuals employed by a SME relevant to credit and investment institutions, or representatives of their organisations.

■ *Independent top-ranking Academics*

32. Individuals falling into this category are assessed based on their academic qualifications. They should preferably hold a Ph.D. in finance, economics, law or other field relevant to financial services, or equivalent qualifications and a solid academic experience in a university or institute of higher education (e.g. professorship), have a strong publication record in the field of finance, economics, law and participation in international conferences and workshops. Individuals falling into this category shall include into their application form information whether their research, employment and/or income is fully or partly financed by financial institution(s), specifically by credit institutions and investment firms.

⁵ For SME definition see Article 2 of the Annex of Recommendation 2003/361/EC: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>

ANNEXES

Recital 48 of the EBA Regulation

“The Authority should consult interested parties on regulatory or implementing technical standards, guidelines and recommendations and provide them with a reasonable opportunity to comment on proposed measures. Before adopting draft regulatory or implementing technical standards, guidelines and recommendations, the Authority should carry out an impact study. For reasons of efficiency, a Banking Stakeholder Group should be used for that purpose, and should represent, in balanced proportions, Union credit and investment institutions, representing the diverse models and sizes of financial institutions and businesses, including, as appropriate, institutional investors and other financial institutions which themselves use financial services; small and medium-sized enterprises (SMEs); trade unions; academics; consumers; and other retail users of banking services. The Banking Stakeholder Group should work as an interface with other user groups in the financial services area established by the Commission or by Union legislation”.

Article 37

Banking Stakeholder Group

1. To help facilitate consultation with stakeholders in areas relevant to the tasks of the Authority, a Banking Stakeholder Group shall be established. The Banking Stakeholder Group shall be consulted on actions taken in accordance with Articles 10 to 15 concerning regulatory technical standards and implementing technical standards and, to the extent that these do not concern individual financial institutions, Article 16 concerning guidelines and recommendations. If actions must be taken urgently and consultation becomes impossible, the Banking Stakeholder Group shall be informed as soon as possible.

The Banking Stakeholder Group shall meet on its own initiative as necessary, and in any event at least four times a year.

2. The Banking Stakeholder Group shall be composed of 30 members, representing in balanced proportions credit and investment institutions operating in the Union, their employees’ representatives as well as consumers, users of banking services and representatives of SMEs. At least five of its members shall be independent top-ranking academics. Ten of its members shall represent financial institutions, three of whom shall represent cooperative and savings banks.

3. The members of the Banking Stakeholder Group shall be appointed by the Board of Supervisors, following proposals from the relevant stakeholders. In making its decision, the Board of Supervisors shall, to the extent possible, ensure an appropriate geographical and gender balance and representation of stakeholders across the Union.

4. The Authority shall provide all necessary information subject to professional secrecy as set out in Article 70 and ensure adequate secretarial support for the Banking Stakeholder Group. Adequate compensation shall be provided to members of the Banking Stakeholder Group representing non-profit organisations, excluding industry representatives. Such compensation shall be at least equivalent to the reimbursement rates of officials pursuant to Title V, Chapter 1, Section 2 of the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68 (

46) (Staff Regulations). The Banking Stakeholder Group may establish working groups on technical issues. Members of the Banking Stakeholder Group shall serve for a period of two-and-a-half years, following which a new selection procedure shall take place.

The members of the Banking Stakeholder Group may serve two successive terms.

5. The Banking Stakeholder Group may submit opinions and advice to the Authority on any issue related to the tasks of the Authority with particular focus on the tasks set out in Articles 10 to 16 and Articles 29, 30 and 32.

6. The Banking Stakeholder Group shall adopt its rules of procedure by a majority of two-thirds of its members.

7. The Authority shall make public the opinions and advice of the Banking Stakeholder Group and the results of its consultations.