

EBA MB 2025 032 rev. 1

Management Board

28 January 2025 / 09:30 – 11:45

Location: teleconference

Management Board

Minutes of the conference call on 11 March 2025

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

1. The Chairperson welcomed the Members of the Management Board (MB). He reminded the Members of the conflict-of-interest policy requirements and asked them whether any of them considered themselves as being in a conflict. No Member declared a conflict of interest.
2. The Chairperson informed that the Minutes of the 28 January 2025 MB meeting were approved by the MB in the written procedure.
3. The Members did not raise any comments on the agenda.

Conclusion

4. The MB approved the agenda of the conference call by consensus.

Agenda item 2: Management Report (for information)

5. The Executive Director presented the Management Report. He noted that the tabled report covered the period from January to February 2025. On the Work programme execution, the Executive Director mentioned that the EBA has delivered 96% of the tasks due in 2024 - not considering tasks on hold – which was in line with achievements in 2023 (95%). The number of tasks on hold was similar in 2024 and 2023 (i.e. no growing backlog) but has increased to 26 as of end of February. For 2025, less than 1% of the tasks due in the year have been delivered at this early stage of the year while 72% were on time. With regard to Human Resource, he highlighted that almost all authorised posts were filled. The 2025 Performance management cycle has been launched and was advancing well and the EBA Confidential Counsellors have been renewed. He also mentioned that the EBA would be publishing data on gender balance and equality at the EBA. With regard to Finance, the Executive Director said that the EBA was projecting full budget execution in 2025, with 76% of the budget already committed (including 100% of salaries and allowances costs and 75% of the building costs). To address any unexpected
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developments, the EBA set up a buffer for financial resources for 2025. Regarding IT and security, he summarised that there has been good progress on internal projects (MICA, DORA CTPP, DORA Oversight, EUCLID 2, JIRA migration, IAM) and that the IT team would be strengthened with three new experts. He acknowledged that an initial cybersecurity review according to the new, demanding EU Cyber-regulation showed room for improvement, in line with results for other EU agencies. To address these findings, the work moved on to preparations for the initial cybersecurity plan and maturity assessment which would be presented to the MB during its next meeting in May. No major security incidents have been observed by the EBA during the reporting period. The Executive Director further informed that a high level of support has been provided to internal users in relation to data collections, with 60 requests handled up to 15 February and significant work to continue (16 data visualisation solutions and 3 publications expected in Q1). Ad hoc data requests have been being carefully scrutinised, resulting in three approvals and one rejection. He also noted that the risk mitigation plans have been developed for shortlisted strategic risks, and that outstanding actions would continue to progress broadly on track. One confirmatory request for access to greenwashing information was partially refused but the requester has approached the European Ombudsman and the EBA was preparing a response to the request. The Executive Director also mentioned EBA's focus on the management of missions and related CO2 emissions and referred to respective KPIs in the tabled Report. On the stakeholder engagement, he highlighted that the EBA Chairperson discussed with new Commissioners and the Polish Presidency EBA's tasks and responsibilities in the current EU legislative and geopolitical context. Work on equivalence has progressed and the Board of Supervisors (BoS) approved the regulatory and supervisory equivalence of the Principality of Andorra, and the revision of the EBA methodology to assess regulatory and supervisory equivalence (step 2 questionnaire). There were 12 third country jurisdictions currently under equivalence monitoring by the EBA. The Executive Director concluded his presentation on the Management report by saying that in the area of supervisory convergence, the time to answer regulatory questions (Q&A) improved but categorisation time continued to deteriorate resulting in an action plan being requested.

6. The Members welcomed the updates and praised the high quality of the tabled Report. Two Members highlighted the importance of further discussion on cyber security and said that the new EU framework may also have impact on national requirements and questioned whether any actions were expected on the national level. One Member asked for further details on the meetings attended by the Chairperson. Other Member questioned ongoing breach of Union law case and asked whether the whistleblowing initiative covered external an/or internal cases. Another Member referred to the set-up of AMLA and its impact on the EBA staff. One Member acknowledged a high satisfaction rate of the EBA employees and asked whether the EBA had comparable data from ESMA and EIOPA. The Member also referred to the simplification and proportionality, in particular with respect to small and non-complex institutions and possible discretion for the CAs to address related national specificities.

7. In his response, the Executive Director clarified that the EBA was planning to reflect on a stringent approach to the cyber-security set out in the EU regulation and implement changes to its systems. The EBA Security Officer added that there was a high common level of security, guidance and framework requirements between the EU institutions and agencies and that the implementation plan would be presented to the MB during the next MB conference call in May. He also referred to EBA's IT Sounding Board which served as an exchange platform with competent IT and security officers. The Executive Director then informed that the participation in the staff satisfaction survey was higher compared to previous years as well as was the level of satisfaction. To keep the positive outcomes, the EBA was preparing an action plan for implementation. With regard to AMLA, he noted that it was the first meeting of AMLA's Board on 11 March and that the process for transferring interested staff to AMLA would start in summer, while a number of staff were planning to apply for different, higher-level positions at AMLA. He welcomed the ongoing dialogue with AMLA, including with the Chairperson and interim Executive Director. The EBA Head of Legal and Compliance Unit (LC) responded to the whistleblowing comments and said that they concerned external reports only as internally, there were various sources for the EBA staff to report as part of the EBA Anti-fraud framework. He also mentioned that the breach of Union law case was in its initial assessment phase.
8. The Chairperson summarised his recent meetings with the Polish Council Presidency; the EU Commissioner for Financial Services, and with the EU Commissioner for Economy and Productivity, Implementation and Simplification with whom the discussion was mainly on potential impact on EU competitiveness in light of global Basel III implementation and burden reduction/simplification efforts. He also referred to Omnibus and said that the EBA assessed its upcoming mandates and was awaiting so called financial Omnibus planned for the second half of year 2025. Finally, he noted that various MEPs with whom he recently met mentioned concerns related to the excessive burden of the regulation, in particular related to prudent valuation, ESG, and requirements for small institutions.
9. The European Commission (EC) representative noted policy shifts at the global level that had impact on regular policy developments in the EU. He referred to a number of actions planned by the EC in the coming weeks notably on Savings and Investments Union; he also mentioned the debate on simplification and the Omnibus package proposed at the end of February, with both L1 as well as L2 dimensions. He stressed the importance of less demanding and more targeted requests for data without multiplying references. He announced the upcoming consultation on FRTB. He pointed at various demands from the sector related to competitiveness, rationality and simplification which were often mixed with demands for deregulation. He also mentioned to the first Board meeting of AMLA. Regarding the small and non-complex institutions, he reminded that EBA received a mandate on proportionality (for 2027, and it was a complex issue); there were limits to national discretion as per Single market rules.

10. The Chairperson concluded by noting the comments by the Members and referred to the discussion on simplification during the BoS meeting in February following which the EBA established a task force on simplification. He also reminded the Members of the Advisory Committee on Proportionality and its work, including on the complex issue of small and non-complex institutions.

Agenda item 3: 2025-2027 Anti-fraud strategy (for decision)

11. The Chairperson reminded the Members that the current EBA Anti-Fraud strategy (AFS) was adopted by the MB on 04 April 2020 for a period of five years. The proposed 2025-2027 AFS was developed by the EBA following the methodology and guidance for the Anti-Fraud Strategies of EU Decentralised Agencies and Joint undertaking issued by the EC on 01 May 2024. As requested by the EC, the EBA consulted OLAF in January 2025 on the first draft prior to adoption and had positive feedback on the maturity of anti-fraud controls at the EBA.
12. The EBA Head of Legal and Compliance Unit and Senior Legal Officer continued by explaining that the 2025-2027 AFS was substantially different from the previous AFS as it followed the new OLAF methodology. The new methodology came as a result of the Commission Anti-Fraud Strategy and revised action plan of 2023 which aimed at strengthening the support to decentralised agencies and joint undertakings in their effort to fight fraud, notably in establishing a coherent anti-fraud framework across agencies. The proposed draft was presented as a stand-alone document setting out the EBA's general context (legal framework, mission, budget, human resources, management mode) and also its specific context in the fight against fraud (implementation of tools and processes at all stages of the anti-fraud cycle as outlined in the Anti-fraud Policy; application of the ethics framework, roles and responsibilities, results of the 2020 anti-fraud strategy). The AFS should be reviewed not more than three years after its adoption after a full fraud risk assessment exercise is conducted. Intermediate reviews of the fraud risks would be carried out if necessary and the MB would be informed. The new AFS was based on the fraud risk assessment exercise presented to the MB in 2024 and aimed at continuing the EBA's anti-fraud efforts in general as well as mitigating three fraud risks identified therein. To this end, the EBA has identified six objectives for the AFS 2025-2027. Each objective was accompanied with a number of activities to be performed in the period. Further to the MB approval, the adopted 2025-2027 strategy would be sent to OLAF for information and that the progress in implementing the strategy would be reflected in the regular Management Report.
13. The Executive Director added that the EBA was considering how to effectively monitor the fraud risk on a more frequent basis than every three years when a fuller risk mapping was carried out.
14. The Members supported the work and did not raise any comments.

15. The Chairperson concluded by noting the Members' support.

Conclusion

16. The MB approved the 2025-2027 Anti-Fraud Strategy by consensus.

Agenda item 4: Enterprise Risk Management – Additional Mitigation Measures (for information)

17. The Chairperson reminded the Members of the EBA Enterprise Risk Management (ERM) policy adopted in 2022 according to which the MB has been updated on developments on the risk management framework twice a year - in September when the EBA presented the risk assessment results relating to the work plan for the coming year, including an update of the strategic risks and in March, when the EBA tabled an interim report which focusing on how the strategic risks identified in September have been evaluated against the risk appetite statement, including additional risk mitigation measures put in place for specific shortlisted risks.
18. The Executive Director continued by clarifying that since the adoption of the updated strategic risk register for 2025 in the September 2024 MB, the EBA has been focussing on identifying the additional mitigation measures for five out of the 16 strategic risks shortlisted. Within these five risks, the EBA closely monitored specific components from three risks, i.e. Risk 10 - inability to deliver strategic EBA tasks which were fit for purpose; Risk 1 - risk of not fulfilling mandated obligations or tasks due to limited / unaligned resources and Risk 15 - inability to prevent and remediate IT security breach.
19. The EBA Legal Officer briefly summarised the main mitigation measures for the specific components identified and continued by updating on the progress made on the 2024 additional mitigation measures.
20. The Members supported the work. One Member mentioned the implementation of a records management system at the level of the ECB and its impact on the EBA and CAs, given that EBA is also implementing a new records management system under Risk 9.
21. The EC representative reflected on earlier discussion related to cyber-security and said that CAs would be impacted not only by the EBA's requirements but also those required by the ECB and national legislative framework. With regard to the EBA's deliverables, he noted the EBA's conservative approach and the industry's response to it and asked for additional communication explaining the EBA's balanced approach towards its products.
22. In his response, the Executive Director clarified that in order to address concerns' raised by the industry regarding the EBA's approach, the EBA has also been further explaining, in its external communication, the potential costs for the industry of the EBA not delivering on its mandate (e.g. costly fragmentation overlap of non-harmonised requirements). He

also informed that the EBA has been amending its record management system and that ECB solutions may be oversized for the current needs.

23. The Chairperson concluded by acknowledging that it was a key aim for the EBA to clearly communicate on its mandates, work and deliverables and that a newly set-up taskforce on efficiency of regulatory and supervisory framework would consider also these aspects. He stressed the importance of the external communication as well as of a clear guidance within the top-down and bottom-up line of work. He concluded by noting the Members' support and said that the EBA would further monitor the identified risks.

Agenda item 5: Provisional Agenda of the BoS conference call on 25 March 2025 (for discussion)

24. The Chairperson reminded the Members that the next BoS conference call was scheduled for 25 March 2025 after the Joint BoS/BSG conference call on 25 March in the morning. He mentioned that in addition to the items included, the EBA was proposing to add an item on the draft RTS on CVA risk of securities financing transactions to receive a steer from the BoS before the finalisation of the draft.
25. The Members supported the additional item. One Member asked for further emphasis and discussion under the Risks and vulnerabilities item and suggested inviting external speakers to update the BoS on the recent market developments. Other Members welcomed the initiative of top-down steer for working sub-structures and one Member proposed inviting the Chairpersons of working sub-structures to the BoS meetings on a regular basis.
26. The Chairperson concluded by noting the Members' support and highlighted that progress reports from all EBA standing committees were regularly circulated as part of the documentation for the BoS meetings. He also invited the members of the task force on efficiency of regulatory and supervisory framework to consider how internal procedures could be further improved.

Conclusion

27. The MB took note of the draft Agenda of the 25 March 2025 BoS conference call.

Agenda item 8: AOB (for information)

28. The Members did not raise any other business concerns.

Participants at the Management Board conference call on 11 March 2025

Chairperson Jose Manuel Campa
Vice-Chairperson Helmut Ettl

Member Heather Gibson
Member Louise Mogensen
Member Nathalie Aufauvre
Alternate Ludmila Vojevoda
Alternate Laszlo Vastag
Alternate Adam Ketessidis

European Commission representative

Almorò Rubin De Cervin

EBA

Executive Director

Francois-Louis Michaud

Directors

Isabelle Vaillant
Meri Rimmanen
Kamil Liberadzki

EBA Heads of Unit

Philippe Allard
Jonathan Overett Somnier

Experts

Tea Eger
Alex Herr
Patricia Rosochowicz

For the Management Board,

Done at Paris on 07 April 2025

[signed]

José Manuel Campa

EBA Chairperson