

Selection Procedure for the Banking Stakeholder Group (BSG)

1. The Selection Procedure shall follow the requirements laid down in Article 37 and Recital 48 of the EBA Regulation, 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 institutions: **10 stakeholders (incl. 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.

Gross list of applications received

4. 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.
5. The main reasons for considering an application as incomplete or wrongly submitted are presented below:
 - No submission of the candidate's CV.
 - 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- The application is withdrawn and an alternate candidate from the same organisation is announced, while the deadline for submitting applications has already expired.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.

Internal Selection Procedure – Governance

6. After receipt of the applications, the EBA Staff shall perform an initial quality review of the list of candidates.
7. The applications shall then be further analysed by the EBA Staff. This task shall be performed primarily by the EBA's Policy Analysis and Co-Ordination Unit in consultation with the EBA Consumer Protection Unit, the EBA Legal Counsel and 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 30 proposed candidates and additional 15-20 reserve candidates (at least two for each category).
8. In their assessment involved EBA Staff shall take into account the criteria further set out below including those regarding each category of stakeholders.
9. Involved EBA Staff are required to raise any potential conflicts of interest in relation to any of the received applications with the EBA Legal Counsel.
10. 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.
11. 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.
12. Following the EBA's Management Board's decision, the proposal shall be submitted for the approval of the EBA's Board of Supervisors.
13. The appointed candidates shall be informed and the result shall be made public.

Generic and category-specific criteria

Generic criteria

14. For all categories of stakeholders the quality of the candidate shall be assessed and proved through their professional experience, reputation, academic and professional qualifications.
15. 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 category¹ and not be in a situation of conflict of interest with another category represented in the BSG.

16. Generally, while not explicitly limiting representation per country, the EBA shall ensure the **geographical balance** between different EU Member States including Croatia², nationalities³ and regions, across the BSG, and also for each of the sub-category, where there are more than two representatives.

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

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

19. **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.

20. 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

21. 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.

¹ I.e. each candidate may only submit an application for one single category that he/she wishes to be considered for.

² Following the signature of the accession treaty on 9 December 2011 and subject to its ratification by all EU countries and Croatia, then the country will become the 28th EU member country on 1 July 2013.

³ May include non EU Member States of the European Economic Area (Iceland, Liechtenstein and Norway), observers of EBA’s Board of Supervisors.

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

- ▶ The candidate is in a situation of conflict of interest as defined under paragraph 15 above.
- ▶ 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

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

■ *Credit and Investment Institutions*

24. Includes individual representatives and representatives of associations currently employed by or acting on behalf of Union credit and investment institutions, 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.

25. 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 and for the fulfilment of the Regulation's requirement that "...three (institutions) shall represent cooperative and savings banks."

■ *Consumers*

26. This category includes representatives of consumer organisations or any natural person acting for purposes outside his trade, business, craft or profession, and with a proven record of dealing with consumer issues.

■ *Users of banking services*

27. 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*

28. 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 SMEs⁴*

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

- *Independent top-ranking Academics*

30. 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. They must be independent from interests of credit and investment institutions or similar.

⁴ 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>.