2019 discharge: European Banking Authority (EBA)

2020/2174(DEC) - 28/04/2021 - Text adopted by Parliament, single reading

The European Parliament decided by 574 votes to 93, with 31 abstentions, to **grant discharge** to the Executive Director of the European Banking Authority (EBA) for the financial year 2019 and to approve the closure of the accounts for that year.

Noting that the Court of Auditors has stated that it has obtained reasonable assurance that the Authority's annual accounts for the financial year 2019 are reliable and that the underlying transactions are legal and regular, Parliament adopted, by 596 votes to 65, with 30 abstentions, a resolution containing a series of recommendations which form an integral part of the discharge decision and which complement the general recommendations contained in the resolution on the performance, financial management and control of EU agencies.

Financial statements of the Authority

The Authority's final budget for the financial year 2019 was EUR 45 326 900, which represents an increase of 6.44% compared to 2018. The Authority is financed by a contribution from the Union (EUR 17 394 600 or 38.38%) and by contributions from the national supervisory authorities of the Member States and observers (EUR 27 160 689.50 or 59.92%).

Budgetary and financial management

Parliament noted with concern that the budget monitoring efforts in the 2019 financial year resulted in a budget implementation rate of 97.29%, which represents a decrease of 2.56% compared to the 2018 financial year. The implementation rate for payment appropriations was 85.88%, a decrease of 2.35% compared to the previous year.

The Authority's amending budget for 2019 and the 2020 budget contain insufficient information on the contributions of the new host Member State to the Authority's running costs. The Authority is invited to correct this omission and to communicate the reasons for it.

Other observations

Members also made a number of observations concerning performance, staff policy, public procurement and the prevention of conflicts of interest.

In particular, they noted that:

- in 2019, the Authority moved its headquarters from London to Paris and associated activities, such as migration to new data centres, were carried out throughout the year in addition to the obligations under the Authority's mandate. Members appreciated the challenges faced by the Authority in this process;

- the administrative staff of the Authority, the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority meet regularly to discuss issues of common interest;

- only 19 of the 30 activities in the Authority's work programme were delivered for 2019;

- the Authority has made efforts to establish a more coordinated supervisory regime across the European financial system;

- in the light of the Authority's new mandate in the field of anti-money laundering and combating the financing of terrorism, Members are awaiting the Authority's ten-point action plan for the period 2020-2021 for the strengthening of the future framework of prudential and anti-money laundering requirements covering dividend arbitrage trading schemes;

- efforts are being made by the Authority to fully integrate environmental, social and governance factors into its work so that the financial system responds adequately to the challenges of financial sustainability, the European Green Deal and the Paris Agreement;

- the Authority has carried out an investigation into dividend arbitrage trading schemes, such as "*cum ex*" and "*cum cum*" schemes, requested by the European Parliament. However, Members noted that the report does not shed light on these illegal practices and regretted that no date has been set for a formal investigation;

- at the end of 2019, 99.31% of the establishment plan was implemented, with 144 temporary staff engaged out of the 145 temporary staff authorised under the EU budget. The Authority employed staff of 28 nationalities, of which 50% were women and 50% men. However, 83% of the Agency's senior management is male and 17% is female;

- the Authority conducted four procurement procedures exceeding the threshold set by Directive 2014/24 /EU of the European Parliament and of the Council and also concluded 14 contracts resulting from negotiated procedures for an amount exceeding EUR 15 000;

- additional measures were taken to increase the transparency of the Authority's activities by reporting on meetings attended by staff with external stakeholders and publishing them on its website;

- following the findings of the Ombudsman's enquiry which followed the Authority's decision not to forbid its former Executive Director from taking up a role in the Association for Financial Markets in Europe (AFME), Members await full information on the state of play of the measures taken or planned to prevent and manage conflicts of interest in order to avoid the recurrence of such a scenario and to prevent future ‘revolving door’ cases.