



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Andrea ENRIA

Chair of the Supervisory Board

COURTESY TRANSLATION

Ms Kostadinka Kuneva
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 14 February 2019

Re.: Your letter (QZ001)

Honourable Member of the European Parliament, dear Ms Kuneva,

Thank you for your letter on the ECB's stress test activities, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 16 January 2019.

In your letter, you make reference to questions addressed to the ECB by a Member of the German Bundestag on this matter. Let me clarify that the questions to which you refer were posed by Member of the German Bundestag, Mr Schäffler, and were submitted to the ECB via the President of the German Bundestag. The ECB's answers to Mr Schäffler's questions as well as the answers to MEP Viegas' questions on the same topic, which were also received in July 2018, can be found on the ECB Banking Supervision website¹.

With regard to your question on how to ensure the reliability of bank stress tests against conflicts of interest, please let me first refer to the letters mentioned above. In these, my predecessor answered in some detail a number of questions raised by Mr Schäffler and MEP Viegas regarding the involvement of consultants in the ECB's stress testing activities. Concerning the selection of external service providers, please note that the ECB carefully considers the risks involved, in particular any potential conflicts of interest, and ensures that these are prevented to the greatest extent possible by a number of provisions in the relevant contracts. External service providers involved in stress test exercises are required to ensure strict separation between the team supporting the exercise and any other teams advising large financial institutions or investors. Compliance with contractual arrangements concluded with external service providers is monitored and managed by the contract owner within the ECB business area that procured the service, with the support of the Directorate General Legal Services and the Central Procurement Division.

¹ https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter181001_Schauble.en.pdf
https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter181108_Schauble.en.pdf
https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter180711_Viegas.en.pdf

Moreover, staff members of external service providers performing services for ECB Banking Supervision are always requested to sign individual confidentiality agreements. Furthermore, whenever external staff are on the ECB's premises, they are subject to the ECB's house rules for external staff, which include comprehensive requirements to safeguard the security and confidentiality of information, data and documents concerning the ECB, its staff, the contract and its performance. To ensure data security, any information, data or documents available to staff of an external service provider are made available using the ECB's information technology (IT) facilities. In other words, at no point in time are ECB information, data or documents accessible from outside the ECB's dedicated IT infrastructure. Further safeguards exist in the form of cooling-off clauses, ensuring that staff members of external service providers working on stress tests are not transferred to related projects for a proportionate period of time after their assignments have ended.

Yours sincerely,

[signed]

Andrea Enria