

ANNEX 4

HRC response to the remarks of the three federations (EPSU, SCECBU, UNI) about the HRC proposals on SSM on-site travel arrangements and traineeships

- 1. It is difficult to comment on the ECB's proposal without knowing if there will be a contractual relationship between the ECB and the NCA/NCB staff members***

HRC response: There will be no employment relationship. As mentioned in the proposal, we aim to "implement the model whereby NCA participants to missions abroad (i.e., those coming from other NCAs than the NCA of the country in which the visited bank resides) are seconded to the ECB on a cost-free basis, for the duration of the mission. As a consequence, all their mission arrangements for foreign travel (flights, hotels, per diems, home travel) would follow the ECB's internal rules (also applicable to ECB staff on missions) while salaries, social security provisions and taxation would remain unchanged and under the responsibility of the NCA".

- 2. Has any work been done into what contractual rules continue to apply to staff on cost-free secondment from NCA/NCB at present and whether this may affect the travel reimbursement rules?***

HRC response: Yes. When such travel reimbursement rules are an integral part of the contractual relationship between the participant and their employer (NCA), the latter remain applicable whenever they are more beneficial to the participant than those applied by the ECB (the most relevant example would be the lump sum payments for meals). In case the NCA rules are less beneficial than those of the ECB, then the ECB reimbursements will be applied during the mission.

- 3. The text is about OIT mission and traineeships; what about refunds for joint meetings between ECB and NCA (not only for JST but also for DG IV or DG III meetings)?***

HRC response: The business travel rules of the NCA and ECB will apply in that case, for their respective participants.

- 4. It's written "equal treatment during the mission" and in the solution proposed by the ECB it seems more than "equal" a minimum, we mean the colleagues under the level of allowances of ECB will be compensate at ECB level allowances respecting those colleagues have better conditions of allowances that ECB. Under our point of view this is a minimum standard at ECB level, instead "equal treatment..."***

HRC response: Indeed, it can be interpreted as such.

- 5. ECB mission cost should be a floor for refunds, if the conditions existing in the original National Authority are higher, it should be respect**

HRC response: Correct, as mentioned above.

- 6. It will be desirable setting up a centralized business travel centre for all the staff imply in OIT**

HRC response: the ECB travel services will act as such a centre.

- 7. Will it be a different regime of allowances in function of the city where the OIT will be?**

HRC response: No. the ECB travel rules do not make a differentiation for allowance/ lump sum payments per city. This differentiation only happens for hotels.

- 8. They refer this measure as a short term solution, what will happen in the long term? Do they have any kind of proposal? Why are only focused on the short term?**

HRC response: The idea is to gain experience with this proposal and later to re-assess its suitability from an operational and financial perspective.

- 9. Nothing is written about long term on-site inspections, i.e. OIT for a big commercial bank will imply months of OIT, and in principle there is not compensation or improvement of allowances for these cases.**

HRC response: Onsite missions are expected to have an average duration of 6 weeks, rarely exceeding 3 months. The conditions will be the same throughout the mission period.

- 10. It could be some taxation problems at national level with this model, if should ECB care about it or should be a national level of NCA/NCB? How this reimbursement of expenses will be articulated with the tax laws and national social taxes?**

Is this situation the same in all countries? Already for Germany it does not seem the case

HRC response: While income taxation is not expected to be an issue (since the ECB reimbursements are meant to cover actual travel and accommodation costs, the inspections are of a relatively short nature and the participants remain paid by their home employer), there may be taxation issues at the level of the expenses/lump sum payments as mentioned before. NCAs will inform their staff about possible tax implications (e.g. need to declare such payments in the individual tax declaration).

- 11. Nothing regarding with the coverage of insurances in case of disablement or death of employees in OIT. Is it foreseen any kind of common insurance for the staff involve in OIT?**

HRC response: Participants to onsite missions will remain covered by their home/employer insurance provisions for disability or death. All participants travelling under the ECB rules benefit from a travel insurance policy aiming at assisting in emergency situations, like riots and civil war, and offering a

range of assistance services including evacuation and repatriation, assistance with the replacement of stolen or lost passports, etc.

12. Can the ECB provide us the scales of reimbursement in mission cost will be applied? What fees are concerned by ECB reimbursement?

HRC response: the ECB reimburses travel expenses (flights, trains, taxis, public transport), hotel accommodation, meals and beverages, sundry expenses, and business-related telephone calls/faxes/internet use against actual expenses (i.e. against the presentation of the related invoices). Flights and trains are always pre-booked and paid by the ECB. Hotels are pre-booked (on the basis of special agreements and within maximum rates) and when possible also paid in advance by the ECB. For meals (lunch, dinner, snacks) each traveller can chose between the following options for each trip:

- Reimbursement against actual receipts up to EUR 100/day for all meals or
- Lump sum payment of EUR 40/day (no receipts required);

In addition, EUR 5 per overnight stay are paid for incidental costs.

13. What does it mean for NCBs/NCAs staff participating to mission abroad? According to the ECB proposal, they would be seconded to the ECB on a cost-free basis, for the duration of the mission. Why, and what does it mean exactly? We have not been told of any kind of contract or any other direct legal (employment) link between inspectors and the ECB, where should there be one anyway if they just arrange and pay the business trips?

HRC response: As mentioned above there is no employment relationship between the ECB and the NCA participant. The participant is cost free seconded to the ECB to allow his/her related travel costs to be covered by the ECB (instead of the sending NCA) under the SSM feeing rules, ensuring similar treatment to all those participating to missions abroad.

14. Whether travel arrangements are paid by the ECB does not at all entail that NCBs/NCAs staff should be seconded to the ECB. The proposed system actually does not amount to a secondment model, so why does the ECB call it so?

HRC response: The cost free secondment model is necessary to allow the ECB to reimburse the travel costs for NCA participants to onsite missions abroad.

[...]