

# DECISIONS

## DECISION (EU) 2017/274 OF THE EUROPEAN CENTRAL BANK

of 10 February 2017

### laying down the principles for providing performance feedback to national competent authority sub-coordinators and repealing Decision (EU) 2016/3 (ECB/2017/6)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions <sup>(1)</sup>, and in particular Article 6(1) and (7) thereof,

Whereas:

- (1) Article 6(1) of Regulation (EU) No 1024/2013 stipulates that the European Central Bank (ECB) is responsible for the effective and consistent functioning of the Single Supervisory Mechanism (SSM). Recital 79 of that Regulation states that highly motivated, well-trained and impartial staff is indispensable to effective supervision.
- (2) In accordance with Articles 3 to 6 of Regulation (EU) No 468/2014 of the European Central Bank (ECB/2014/17) <sup>(2)</sup>, the ECB is in charge of the establishment and composition of joint supervisory teams composed of staff members from the ECB and the national competent authorities. A joint supervisory team (JST) coordinator, assisted by one or more national competent authority (NCA) sub-coordinators, ensures the coordination of the work within the JST.
- (3) In view of the NCA sub-coordinators' important role in coordinating the JST members from their NCA, it is necessary and proportionate to introduce a uniform process for the provision of performance feedback on NCA sub-coordinators in JSTs. By assisting with the continuous improvement of the NCA sub-coordinators' performance, this performance feedback might help to ensure the proper functioning of JSTs.
- (4) The NCAs are solely responsible for the appraisal of their staff, and the ECB is solely responsible for the appraisal of its staff. Nevertheless, NCAs may use the performance feedback provided in accordance with this Decision in the management of their staff members, and it may serve as input in the internal appraisal systems of the NCAs, if allowed under the relevant national law.
- (5) Feedback on the performance of NCA sub-coordinators was initially provided during a trial period in accordance with the principles laid down in Decision (EU) 2016/3 of the European Central Bank (ECB/2015/36) <sup>(3)</sup>. As that trial period has concluded, that Decision should be repealed in the interests of legal certainty.
- (6) Experience gained during the trial period indicated that a performance feedback mechanism for NCA sub-coordinators may be useful to ensure the effective functioning of the JSTs. However further assessment is required. The performance feedback mechanism should therefore be continued for a further trial period of one year. A subsequent review should be carried out to assess if it would be useful for the performance feedback mechanism to continue on a more permanent basis.

<sup>(1)</sup> OJ L 287, 29.10.2013, p. 63.

<sup>(2)</sup> Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation) (ECB/2014/17) (OJ L 141, 14.5.2014, p. 1).

<sup>(3)</sup> Decision (EU) 2016/3 of the European Central Bank of 18 November 2015 laying down the principles for providing feedback on the performance of national competent authorities' sub-coordinators in the joint supervisory teams of the Single Supervisory Mechanism (ECB/2015/36) (OJ L 1, 5.1.2016, p. 4).

- (7) The findings of the review should be reported to the Supervisory Board. In the light of the review, a proposal to the Governing Council should be made on whether or not the performance feedback mechanism should be continued.
- (8) The European Data Protection Supervisor was consulted in accordance with Article 27 of Regulation (EC) No 45/2001 of the European Parliament and of the Council <sup>(1)</sup> and delivered an opinion on 7 April 2015 recognising that performance feedback is necessary for the management of JSTs, and endorsing the performance feedback mechanism, while advising that its precise operation is defined in an appropriate legal instrument,

HAS ADOPTED THIS DECISION:

#### *Article 1*

### **Definitions**

For the purposes of this Decision, the definitions contained in Article 2 of Regulation (EU) No 1024/2013 and Article 2 of Regulation (EU) No 468/2014 (ECB/2014/17) shall apply.

#### *Article 2*

### **Performance feedback**

1. JST coordinators shall provide performance feedback to NCA sub-coordinators on their and their team's performance in carrying out their tasks and objectives within the JST, in accordance with the principles set out in Annex I and shall take into account the competencies set out in Annex II.
2. JST coordinators shall, after consultation with the NCA sub-coordinator, lay down the NCA sub-coordinator's main tasks and objectives.
3. JST coordinators shall provide performance feedback with regard to the feedback cycle that starts on the day of the entry into force of this Decision and ends 12 months later.

#### *Article 3*

### **Review**

After the performance feedback cycle ends, the ECB in collaboration with the NCAs, shall review the operation of the performance feedback mechanism and report its findings to the Supervisory Board. The report shall include a proposal on whether the performance feedback mechanism should be continued.

#### *Article 4*

### **Repeal**

Decision (EU) 2016/3 (ECB/2015/36) is hereby repealed.

<sup>(1)</sup> Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).

*Article 5***Entry into force**

This Decision shall enter into force on 15 February 2017.

Done at Frankfurt am Main, 10 February 2017.

*For the Governing Council of the ECB*

*The President of the ECB*

Mario DRAGHI

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## ANNEX I

**Principles for providing feedback on the performance of national competent authority sub-coordinators in joint supervisory teams of the Single Supervisory Mechanism***Principle 1***Scope of performance feedback**

National competent authority (NCA) sub-coordinators in a joint supervisory team (JST) of the Single Supervisory Mechanism (SSM) are subject to performance feedback, provided that they work in the JST on the basis of at least 25 % of a full-time position as defined in the employment framework of the relevant NCA.

*Principle 2***Purpose of performance feedback**

To support and improve the functioning of the SSM as a whole, the performance feedback will assess the NCA sub-coordinator's performance when carrying out their tasks, with a view to further developing their understanding of the SSM's objectives and competencies as NCA sub-coordinators, thereby contributing to improving the performance and integration of JSTs.

*Principle 3***Performance feedback process**

1. At the beginning of the performance feedback cycle, the JST coordinator, after consultation with the NCA sub-coordinator, sets out the main tasks and objectives for each NCA sub-coordinator that is subject to performance feedback in accordance with Principle 1. These tasks and objectives are recorded in the SSM feedback form.
2. The JST coordinator provides each NCA sub-coordinator with guidance and informal performance feedback throughout the performance feedback cycle. Once the feedback cycle is completed, the JST coordinator provides each NCA sub-coordinator with end-of-cycle performance feedback, both orally and in writing in the SSM performance feedback form. Before the feedback form is finalised, the sub-coordinator is given the opportunity to formally record their views and comments on the performance feedback provided.
3. The informal and the end-of-cycle performance feedback take into account the NCA sub-coordinator's main tasks and objectives, the SSM competencies set out in Annex II, and their team's contribution to the overall functioning of the JST.

*Principle 4***Access to performance feedback**

1. Upon request by the relevant NCA, the end-of cycle performance feedback will be made accessible to, and may be used by the relevant NCA for the purpose of facilitating its staff management, if permitted by applicable national law.
2. NCAs may choose to use the performance feedback as additional input in their internal appraisal systems, if permitted by applicable national law.
3. Access to the performance feedback, including its transfer, will be granted to NCAs in accordance with Article 8(a) of Regulation (EC) No 45/2001.

*Principle 5***Protection of personal data processed in the context of giving performance feedback**

1. The performance feedback data will be processed by the ECB in accordance with Regulation (EC) No 45/2001.
  2. The performance feedback data may be used only for the purposes described in Principles 2 and 4, and may be stored for a maximum period of five years.
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## ANNEX II

**List of competencies particularly relevant for staff working in the SSM (SSM competencies)**

**Professional knowledge:** Knowledge of supervisory policies, methodologies and regulations, especially in the SSM context, as well as of financial institutions functioning. Keeps abreast of developments in those fields and applies the knowledge to the relevant areas of work.

**Communication:** Conveying information clearly and concisely to groups or individuals, either verbally or in writing, to ensure that they understand the information and the message. Listening and responding appropriately to others.

**Cooperation and collaboration:** Building and maintaining on-going, collaborative, working relationships with co-workers to achieve the European goals of the team. Developing and maintaining effective relationships with others in order to encourage and support teamwork. Proactively sharing data, information and knowledge within the team.

**Determination in achieving objectives:** Performing tasks with tenacity and perseverance, pursuing successful solutions while adapting own behaviour to find a suitable approach to reach a successful outcome.

**Judgement and intrusiveness:** Analysing and assessing situations, data and information in order to develop appropriate strategies, plans and policies. Understanding and formulating different and opposing perspectives on an issue, if needed, adapting approaches as the requirements of a situation change, considering problems from new perspectives and expanding on the thinking or solutions proposed by others. Attempting to fully understand issues prior to making a recommendation or reaching a conclusion, while gathering full and exact information as necessary; arriving at a sound judgement by respectfully asking a series of intrusive questions; and continuously scanning for potential issues and various information.

**Breadth of awareness and being forward-looking:** Looking beyond the own role to establish the wider context in which one operates, by having a full understanding of the different functions/areas, by showing awareness of diverse cultural contexts and points of view, and by assessing the implications of own decisions on others. Looking ahead and anticipating opportunities and threats in the future, taking action to create opportunities or to avert a future issue.

**Acting objectively with integrity and independence:** Acting independently and objectively, in the interest of the Union as a whole, on the basis of the professional standards of the SSM, verifying circumstances to get a complete and realistic picture of a situation. Striving to reduce or eliminate biases, prejudices, or subjective evaluations by relying on verifiable data and facts.

**Managing SSM teams (applicable to managers only):** Directing (virtual/remote) teams and guiding them to the team objectives. Coordinating team activities across boundaries, by providing direction and by using their competencies and diversity in the most effective and efficient way. Working to reduce and cope with ambiguity and finding ways to direct and deliver under uncertainty.

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