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Delegations will find attached document COM(2023) 505 final.

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EUROPEAN
COMMISSION

Brussels, 5.9.2023
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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**on the compliance of the European Banking Authority with the requirements regarding
the location of its seat**

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1 INTRODUCTION

In the context of the United Kingdom's withdrawal from the Union, the other 27 Member States, at the margins of the General Affairs Council on 20 November 2017, selected Paris, France, as the new seat of the European Banking Authority (EBA)¹.

The location of the EBA's seat is laid down in Article 7 of the EBA founding Regulation² ("the EBA regulation"), which therefore had to be amended³ to move the seat from London to Paris. In addition to changing the location of the seat, the amendment to the EBA regulation introduced certain new requirements regarding the location of the seat as well as an obligation for the Commission to publish a report by 30 March 2019 and every 12 months thereafter on EBA's compliance with these requirements.

According to Art. 7 of the EBA Regulation: "*The location of the seat of the Authority shall not affect the Authority's execution of its tasks and powers, the organisation of its governance structure, the operation of its main organisation, or the main financing of its activities, while allowing, where applicable, for the sharing with Union agencies of administrative support services and facility management services which are not related to the core activities of the Authority*".

EBA has provided the necessary input to fulfill these reporting requirements. The first four reports were published in 2019⁴, 2020⁵, 2021⁶ and 2022⁷. This is the fifth report under this reporting obligation.

2 EBA HEADQUARTERS AGREEMENT

The Headquarters Agreement (hereinafter "HQA") with the French Government, signed in Paris on 6 March 2019, was adopted by the *Assemblée nationale* on 17 February 2022. The HQA was approved in the *Sénat* on 19 July 2022 followed by publication in the French Official Journal on 30 July 2022.

In addition to the requirements of Protocol No 7 on the privileges and immunities of the European Union⁸, the HQA entitles EBA staff members to a special residence permit FI (Fonctionnaire International), attesting their status as international civil servants in France (applicable also to family members). EBA has been engaging with

¹ General Affairs Council (Art. 50), 20 November 2017:

<https://www.consilium.europa.eu/en/press/press-releases/2017/11/20/european-banking-authority-to-be-relocated-to-city-country/>

² Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority) (OJ L 331, 15.12.2010, p. 12).

³ Regulation (EU) 2018/1717 of the European Parliament and of the Council of 14 November 2018, amending Regulation (EU) No 1093/2010 as regards the location of the seat of the European Banking Authority (OJ L 291, 16.11.2018, p. 1).

⁴ COM (2019) 451 final.

⁵ COM (2020) 317 final.

⁶ COM (2021) 771 final

⁷ COM (2022) 387 final

⁸ OJ C202, 7.6.2016, p. 266-272

the Protocol Office of the Ministry of Europe and Foreign Affairs and Customs to ensure a smooth process in relation to the arrival of staff and their families in France, the provision of special residence permits, and the application of tax privileges to EBA. As of April 2023, 285 staff and family members have received special residence permits, one additional application is being processed and 47 special residence permits have been returned due to end of employment.

Article 9 of the HQA exempts EBA from VAT incurred on official expenses where the invoice amount net of VAT is greater than EUR 150. In practice, EBA is paying the VAT on French purchases, and on purchases where the MOSS (VAT Mini One Stop Shop) scheme⁹ applies, and is reclaiming this VAT from the French government. As of April 2023, EBA has claimed reimbursement of EUR 4,934,565, of which EUR 4,569,424 has been received.

The information regarding the European School of Paris-La Défense in Courbevoie has not changed with respect to the previous report with the exception of the number of children enrolled at the school. For the 2022-2023 school year, 32 children of EBA staff members were enrolled at the school.

3 EBA GOVERNANCE, OPERATIONS AND EXECUTION OF TASKS

EBA's tasks and powers, the organisation of its governance structure, the operation of its main organisation, and its main financing were not affected by the relocation of its seat. EBA has been fully operational in its new offices in Paris from the beginning of June 2019.

The relocation of the EBA's seat to Paris has had no impact on the main financing of EBA's activities by the EU and the national competent authorities. Separate from this financing, the French government is providing 8.5 million euros to cover costs of the Paris offices. This funding is divided between EUR 1.5 million for set-up costs, which has already been received and spent, and EUR 7.0 million for ongoing lease costs, which is to be received over the course of the nine years of the lease to smoothen out the budgetary impact. To date, EBA has invoiced and received EUR 6,225,000 under this agreement.

Sharing of administrative support services with other Union agencies

EBA cooperates actively with ESMA on administrative matters, with regular meetings being held between the equivalent administrative units of the two agencies.

EBA has signed a Service Level Agreement with ESMA for the provision of accounting services and since July 2021, EBA is providing these services to ESMA. EBA's Accounting Officer and Accounting Assistant are shared between the two agencies, which allows for a more efficient use of resources. ESMA's Management Board appointed EBA's Accounting Officer as ESMA's Accounting Officer with effect from 1 July 2021.

EBA works closely with other EU agencies based in France with regard to their procurement procedures, especially with ESMA. The table in the Appendix

⁹ [VAT on digital services/MOSS: What services are covered? - Your Europe \(europa.eu\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=VAT_on_digital_services/MOSS:_What_services_are_covered?_Your_Europe_(europa.eu))

summarises the activity in this area. EBA and ESMA also participate in a network of procurement officers of international organisations based in Paris.

EMAS and environmental management

Since 2021, EBA, ESMA and EIOPA environmental coordinators meet regularly, at least quarterly, to share documents and environmental best practices in the areas of environmental management, sustainability reporting and EMAS (Eco-Management and Audit Scheme) implementation. On 11 August 2022, EBA was notified of its successful EMAS registration. All three agencies also cooperate in the Greening Network of the European agencies. Additionally, in March and April 2023 the representatives of the EBA and ESMA participated in each other's EMAS internal audits as observers.

Sharing facilities

In March 2023, the CPVO¹⁰ made use of EBA meeting rooms for two days of training of groups of experts. The EBA has also made use of ESMA facilities for off-site meetings. In March 2023, the three ESAs signed a cooperation agreement allowing EBA and EIOPA to share the TESTA TAP¹¹ installed for ESMA at the data centre in Aubervilliers.

Other collaboration

During the Covid-19 pandemic, EBA established a network with ESMA, Interpol, UNESCO, and the OECD to discuss the new ways of working, vaccination, teleworking rules, and other common matters every quarter.

Cooperation on joint ESAs projects

EBA, ESMA and EIOPA work on a joint project (led by EIOPA) with the objective to establish a system for the exchange of information relevant to the assessment of the fitness and propriety of holders of qualifying holdings, directors, and key function holders of financial market participants by competent authorities.

The three ESAs are also cooperating very closely on the preparations for DORA¹² and MiCA¹³.

4 CONCLUSIONS

Based on the available information, the EBA's execution of its tasks and powers, its governance structure, its main organisation, and the financing of its activities have not been affected by the relocation of its seat to Paris, nor by the administrative

¹⁰ Community Plant Variety Office

¹¹ Trans-European Services for Telematics between Administrations Turnkey Access Point

¹² [Regulation \(EU\) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector \(OJ L 333, 27.12.2022, p.1\)](#).

¹³ [Regulation \(EU\) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations \(EU\) No 1093/2010 and \(EU\) No 1095/2010 and Directives 2013/36/EU and \(EU\) 2019/1937 \(OJ L 150, 9.6.2023, p.40\)](#)

cooperation arrangements with ESMA and EIOPA described above, which are not related to the core activities of EBA.

APPENDIX

Lead agency	Participating agencies	Procedure	Status
ESMA	EBA	Facilities management	Framework contract (FWC) signed in May 2019
EBA	ESMA	consultancy and reception services	
ESMA	EBA	Language training and testing	FWC signed in January 2020
ESMA	EBA	ICT consultancy	FWC signed in Q4 2020
EBA	ESMA	Interim staff	FWC signed in November 2020
EBA	CPVO	Waste management services	FWC signed in February 2021
EBA	ESMA	Electricity supply	FWC signed in May 2021
		Plants & flowers	FWC signed in May 2021
EBA	ESMA + 9 other agencies	Data protection consultancy	FWC signed in November 2021
EBA	ESMA, EUISS ¹⁴ , EUSPA ¹⁵	Medical services	FWC signed in December 2021
EBA	ESMA, EIOPA	Managed network services	FWC signed in June 2022
EBA	ESMA	External audit of annual accounts	Contract signed in June 2022
ESMA	EBA, EIOPA	IT app. development, maintenance and support	FWC signed in January 2023
ESMA	EBA	Technical skills development training	FWC signed in February 2023
EBA	CPVO	Electricity supply	Signature planned for Q2 2023
EBA	ESMA	Corporate support consultancy services	Signature planned for Q2 2023
EBA	ESMA	Cleaning services	Signature planned for Q3 2023
EBA	ESMA	Language training and testing	Signature planned for Q3 2023
EBA	ESMA	Strategic and digital	Signature planned

¹⁴ European Union Institute for Securities Studies

¹⁵ The European Union Agency for the Space Programme.

communication for Q1 2024
services