



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Danièle NOUY

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Nicola Caputo
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 21 April 2015

Re: Your letter (QZ47)

Honourable Member of the European Parliament, dear Mr Caputo,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 18 March 2015.

In your letter you inquired about the use of external consultants for supervisory on-site missions in the course of the Supervisory Review and Evaluation Process (SREP).

Let me assure you that the review for the SREP will continue to be carried out by the supervisors and that the methodology is defined by ECB staff. External providers which deploy experts for on-site missions would only be brought on board in specific instances. The ECB is working to ensure that there are adequate skills and sufficient personnel in the Joint Supervisory Teams and the horizontal business areas to perform all the necessary missions. Nevertheless, there may be temporary, special needs which would require integrating external consultants for the purpose of on-site missions.

I would also point out that when such external consultants are used, they would be contractually required to work under the instructions of ECB staff, and the head of mission in particular. External consultants would be subject to the same professional secrecy requirements as ECB staff members when they provide services related to the discharge of supervisory duties. Furthermore, as with all of the ECB's other activities, the use of external consultants would be guided by the principle of prudent management of resources and by our goal of finding effective and cost-efficient solutions.

As regards the key aspects of the tender which you referred to in your question, the ECB initiated the tender process by means of a contract notice published on 28 November 2014 in the Official Journal of the European Union to establish up to six framework agreements with highly-qualified external providers, including international accounting/audit firms, to support on-site missions as of 2015. The aim is to have the appropriate expertise and resources available when required, including at short notice, to assist the ECB's

head of on-site missions. The selection process has been conducted in compliance with Decision ECB/2007/5 laying down the Rules on Procurement.

Following a selection and an award phase, the tender is now completed. The ECB is committed to exercising sound financial management and budgetary control over all areas of expenditure. In this context, the ECB evaluated the tenders received based on the formal requirements and award criteria in order to select the economically most advantageous tender, i.e. offering the best price/quality ratio, taking into account the award criteria. In addition, according to Article 24(4) of the Decision, the ECB may exclude tenderers from participation at any time if they or their management, staff or agents are subject to a conflict of interest. To this end, tenderers are requested to certify that they are not subject to such a conflict of interest and/or provide such evidence specified in the contract notice. If such circumstances arise in the course of the procedure, the tenderer concerned shall inform the ECB without undue delay thereof.

In light of the information collected, the framework agreement to be entered into with a selected entity will further elaborate on the conditions under which a contractor may be considered to be subject to a conflict of interest and would therefore not be deployed for certain missions.

As indicated above, external contractors are to be used in limited circumstances only. The framework agreement therefore does not grant external contractors any minimum level of services. In other words, they will only be entitled to claim remuneration if the ECB has signed an order and if the services have been provided. Finally, with respect to its supervisory activities, the ECB is accountable to the European Parliament and the European Council. Furthermore, the European Court of Auditors ensures that the operational efficiency of the management of the ECB is examined on a regular basis. The ECB is fully and unconditionally committed to this robust accountability and reporting framework.

Yours sincerely,

[signed]

Danièle Nouy