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EXPLANATORY NOTE ON THE APPLICATION OF THE EXISTING ECB FRAMEWORK REGARDING ESCB/IO CONTRACTS TO NCA ON-SITE INSPECTORS

Version 1.0.7

This document explains the modalities around ESCB/IO contracts in the context of cross-border and mixed team on-site missions. It focuses on practical implications of ESCB/IO contracts relevant for NCA inspectors. It does not cover matters such as on-site work/methodology, feedback processes and reporting to management. New versions of this document may be issued in case an update becomes necessary.

Disclaimer: This document is mainly a secondary source of information and therefore draws on other sources. Hence, the information contained in it shall neither be binding nor construed as constituting a commitment. Only the relevant primary sources/ norms themselves may be regarded as binding.

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0. Introduction and eligibility criteria

In order to foster a common SSM on-site culture, the Supervisory Board has approved a substantial increase in the number of cross-border on-site (XB) and mixed team (MxT) missions for 2018. To enhance cooperation between the ECB and the NCAs and utilise NCA resources and expertise more effectively for XB and MxT missions, the ESCB/IO contract option was preferred by NCAs and approved by the Supervisory Board.

ESCB/IO contracts are a well-established tool for seconding NCA staff to the ECB for a defined period of time. They have been successfully used in many instances in the past when NCAs and NCBs decided to support the ECB with their staff members. ESCB/IO contracts are governed by the ECB's Conditions of Short Term Employment and Staff Rules for Short Term employment. This link provides more information on the ESCB/IO contract type: <https://www.bankingsupervision.europa.eu/careers/what-we-offer/contract/escb/html/index.en.html>.

Eligibility:

- According to the SB decision, eligible for ESCB/IO contracts are inspectors from a non-home/host NCA who go abroad on a cross-border (XB) mission or a mixed team (MxT) mission.
- The main criteria for a mission to qualify as either XB or MxT mission are as follows:
 - Cross border mission (XB):
 - The Head of Mission (HoM) is from a **non-home/host** NCA
 - At least one of the team members also is from a **non-home/host** NCA
 - Mixed team mission (MxT):
 - The Head of Mission (HoM) is from the home/host NCA
 - At least two team members are from a non-home/host NCA
- The following matrix specifies eligibility:

Inspector from \ Mission takes places at	Entity inside SSM			Entity outside SSM
	Home	Host A	Other host	
Home	Non eligible	Non eligible	Non eligible	Non eligible
Host A	Eligible	Non eligible	Eligible*	Eligible*
Non home/host	Eligible	Eligible	Eligible	Eligible

* Except in cases where the participation would have been customary before SSM (e.g. inspected entity is a subsidiary of Host A)

- In case a mission takes place in several locations, the mission needs to be eligible in all of its locations; only then ESCB/IO contracts can be made available.
- A further condition is that the limited ECB budget for ESCB/IO contracts for XB/MxT missions is still sufficiently available for contracts to be issued.

1. Key facts

1.1 Contract duration

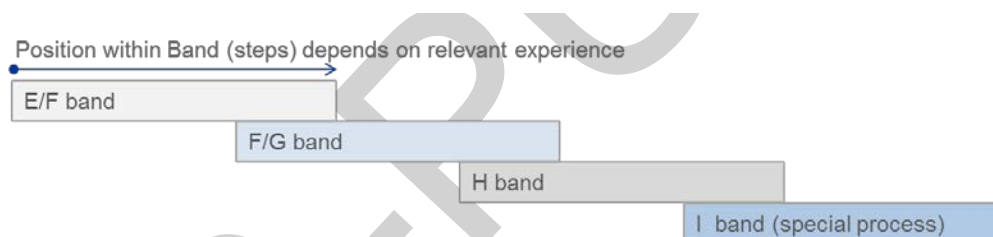
Under the existing ESCB/IO framework, contract durations can be offered between 3 and 36 months. Depending on the duration of the mission, a contract could therefore either be used for individual missions or for a longer period allowing the inspector to participate in several XB/MxT missions in a row. A 3-month contract duration as a minimum does not seem to pose obstacles since in practice missions selected for XB-work generally take longer than 3 months and are of a complex nature.¹

1.2 Salary

Available positions for inspectors on ESCB/IO contracts are

- Team member (E/F or F/G band);
- Head of Mission (H band);
- in exceptional cases, where an inspector has substantial relevant experience, a senior Head of Mission position may be considered (I band).

Higher steps within a salary band overlap with the lower steps of the following salary band, as is illustrated schematically below.



An overview of the ECB salary bands is available via the ECB website.² The salary steps will be determined by DG HR based on an assessment of the experience of the inspector.³

¹ The HLG extensively discussed the pros and cons of different contract durations. There are various arguments in favour of longer contract durations. On-site staff on cross-border missions learn on the job, e.g. developing local knowledge and aptitude in multicultural environments over time. They therefore tend to become more effective as they progress along the learning curve. Related to this, building a common SSM on-site culture may require participation in more than a single mission – as experience is needed to become comfortable with new ways of working. In addition, longer contract durations substantially reduce coordination costs and administrative burdens – as each single contract has to be administrated.

On the other hand, shorter contracts also have advantages. Such contract durations may be attractive to NCA staff given work-life-balance considerations, and this may facilitate increased mobility, hence spreading SSM on-site practices to a larger group and at a faster pace, thus also fostering a common SSM culture and the aptitude for multicultural environments. Further, they may be preferable for NCAs due to HR-related considerations, e.g. staff retention.

² https://www.ecb.europa.eu/careers/what-we-offer/contract/html/minimum_net_salary.en.html

³ <https://www.bankingsupervision.europa.eu/careers/what-we-offer/benefits/html/index.en.html>

1.3 Allowances and benefits when appointed

In case staff member's place of recruitment / resettlement is more than 50 km from the ECB, the below mentioned benefits may be claimed upon appointment/ termination of the ESCB/IO contract. The reasoning is that the standard ESCB/IO set-up assumes Frankfurt as location and place of work of the ESCB/IO contract holder.

1. A monthly travel allowance: a) 362, b) 714, or c) 1067 Euros depending on the distance between recruitment place and ECB;
2. A temporary accommodation allowance of 1.250 Euros per month⁴;
3. Coverage of the initial travel expenses and final resettlement travel expenses;
4. Only applicable to contracts with duration of 1 year or longer: Access to nursery school and European school in Frankfurt for children of staff (subject to availability).

Claims for allowances need to be submitted by the staff member. The corresponding form available on the ECB Intranet is to be filled in and submitted (along with relevant supporting documentation) to the HR Operations Assistants in charge of COI/INM divisions: HR.Operations.DGMS4@ecb.europa.eu

More details on the allowance policy will be provided during the induction session (see below).

1.4 Travel expenses and accommodation related to the on-site mission

1.4.1 Travel expenses and accommodation during the investigations

Expenses for air and train travel related to the mission are covered by the ECB directly, also for the travels between the on-site inspector's residence and the place(s) where the mission is performed.⁵ Other travel and accommodation expenses related to the mission may be reimbursed by the ECB based on invoices, if eligible. Reimbursements are to be requested via the ECB's ISIS system.⁶

The ECB travel rules are outlined in the ECB [Business practice handbook](#) (link to the ECB intranet, active only with ECB credentials). The business trip expenses have to be compliant with the chapter 2.4.5 (Reimbursement of expenses incurred during the business trip) of the ECB Business practice handbook. A specific information session about the ECB travel rules will be provided to the on-site inspectors during the customised welcome event on the first day of their ESCB/IO contract.

Travel requests and the related bookings are to be done by the inspectors themselves via the ECB's ISIS system. By exception the initial booking, before the ECB accounts are activated, is performed by the on-site travel office (OTO@ecb.europa.eu). In addition, the ECB's external travel agency might assist with bookings.

⁴ In case accommodation allowance is claimed, hotel stays associated with time spent by inspectors at the ECB premises in Frankfurt need to be covered by this allowance.

⁵ An exception may be the case where an inspector travels from the mission location to Frankfurt first and then back home. In this case only the cost of travel to Frankfurt might be reimbursed.

⁶ ISIS is the ECB's IT tool for the administration of personal / HR-related data of employees and can be accessed via the ECB intranet.

1.5 Taxation

Short-term contract employees of the ECB shall be subject to tax for the benefit of the European Communities and their ECB income is exempt from national (income) tax⁷. This tax exemption is granted on the basis of the Protocol on the privileges and immunities of the European Union. ECB staff members may obtain a certifying letter via the ISIS system. Nevertheless, inspectors are advised to check with their national tax authority.

1.6 Health insurance and pension contribution

1.6.1 Health insurance & Long-Term care

A contributory health insurance provides short-term contract employees and their dependents with insurance cover against medical and dental expenditure. (Short-term contract) employees shall contribute one third of the cost of this plan (current contribution rate is 2.4% paid by staff, plus 4.8% paid by the ECB)

Within one month of taking up appointment, the inspector may elect to opt out of the ECB's health insurance if he/she provides evidence of an already existing coverage by another insurance plan or social security system. In such cases, the short-term contract employees concerned shall receive from the ECB the equivalent to the contribution the ECB would have paid and retained from their salary for covering them in the ECB health insurance, on production of evidence that their medical and dental expenses are covered under another insurance plan or social security system and that they bear the full cost for the insurance.

Employees and their dependents covered by the health insurance also benefit from a long-term care insurance (automatically for employees, but subject to medical clearance for dependents). This insurance provides financial support in case of long-term loss of autonomy and need for third-party assistance in daily activities. (current contribution rate is 0.33% paid by staff and 0.67% paid by the ECB)

On business trips the ECB travel insurance covers ECB staff members.

A mandatory and contributory accident insurance provides short-term staff cover against medical and dental expenses as well as for payment of lump sums in case of accidental death or permanent invalidity, resulting from an occupational disease or accident at work.

1.6.2 Pension contribution

For short-term contracts the ECB pays out directly to employees the pension contribution the ECB would have paid had the short-term contract employee been entitled to join the pension scheme. Such payment shall be subject to the tax for the benefit of the European Communities.

The conditions and obligations for inspectors to be retained in the national/NCA pension system vary from one country to another. For more information on this and the possibility to transfer the ECB pension contribution to the national/ NCA pension system, the NCA local HR departments should be consulted.

⁷ Article 13 of Protocol on privileges and immunities of the European Communities: "Officials and other servants of the Communities shall be liable to a tax for the benefit of the Communities on salaries, wages and emoluments paid to them by the Communities [] They shall be exempt from national taxes on salaries, wages and emoluments paid by the Communities."

2. Administrative process

2.1 Check list of documentation to be provided

For a sound assessment by DG-HR, sufficient time before the contract starting date is required. Therefore, the documents should be submitted as early as possible and at least 6 weeks ahead of the targeted starting date of the contract.

In order to be contacted by DG-HR and to start the preparations of the ESCB/IO contract, the prospective employee needs to provide:

1. his/her CV in the Excel format provided with the confirmation request to the NCA
2. Copy of the ID card or passport
3. Contact details: home address, e-mail and mobile phone.
4. Supporting documents for the CV, especially certificate from current (in the provided template) and former employers or reference letters confirming the experience.
5. Copy of highest educational qualification (e.g. bachelor's or master's degree certificate). Originals may be requested at any time during your contract period.

Once the inspector has received his/her employment contract, the candidate should send the following additional documents as soon as possible to finalize the process:

1. The signed duplicate of the contract
2. The privacy statement and security self-declaration form for selected candidates:
https://www.ecb.europa.eu/careers/html/index_secrules.en.html
3. The criminal record certificate (please make sure to request sufficiently in advance; it does not need to be translated into English)
4. The completed personal details form: <https://www.ecb.europa.eu/careers/before-you-apply/newcomers/short-term/html/index.en.html>
5. Bank account details (IBAN and BIC)
6. Medical and Dental Plan form: <https://www.ecb.europa.eu/careers/before-you-apply/newcomers/short-term/html/index.en.html>

2.2 Security clearance documents to be provided to the ECB Security Division

The prospective candidate, in order to ensure his/her suitability for the security clearance, must send the following documents:

1. Completed privacy statement and security self-declaration form provided by HR (see [link](#))
 2. Criminal record certificate (which does not need to be translated into English).
- ✓ Security clearance will be granted solely on the basis of these two documents which should **not be sent to HR** but directly to the ECB Security division:

Security Division - Clearance
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

- ✓ The time needed to obtain a criminal record certificate can vary substantially depending on the country of residence. Inspectors should request their criminal record certificate as soon as they are contacted by HR.

Security clearance is compulsory before commencing employment at the ECB.

2.3 Bank account

Salary and benefits can be paid into any account in the European Union, provided that the bank is SEPA-compliant. The bank account details should be provided either by completing the bank account form in the HR package or by e-mailing them to DG-HR.

3. IT infrastructure, requirements and preparations

As a default solution, it is envisaged that NCA inspectors participating in XB/MxT missions via ESCB/IO contracts would use their NCA laptop when being on-site at the bank's premises. Hence, NCA inspectors would not need to be equipped with ECB laptops⁸. Rather, the inspectors would be granted remote access to the ECB remote working environment for access to the ECB IT systems via the NCA laptop. In addition, the ECB will strive to equip each on-site team with one ECB laptop for ease of access to the ECB's IT systems. This laptop could also be used by the on-site team members as a fallback solution to access the ISIS system.

To ensure compatibility of the NCA laptop, the local NCA IT department should be contacted by the inspector in order to install the Citrix⁹ software necessary to access the ECB systems with the NCA laptop. Please note that usually only the IT department from the NCA will have the required administrator rights to install the Citrix software. Citrix must be installed on the inspectors' laptops, in advance of attending the remote working session at the ECB, so that remote access to ECB systems is possible and can be tested in the session.

In order to connect to the ECB systems, the online training on remote-working at the ECB, has to be successfully completed before the Induction Day. To start with the online training, please follow this link and select the ESCB/IO staff on a cross-border on-site mission for COI or INM option.

Moreover, a RSA token shall be provided by the ECB on the day of the remote access session. The RSA token needs to be requested in advance, in order for it to be readily available at the remote working session on the first working day at the ECB. This is necessary since afterwards the inspectors will be on-site at the bank where the mission takes place and will need to be able to access the ECB IT systems to carry out their work.

For requesting the RSA token and for scheduling the remote access session, inspectors need to liaise with PCS: cross-border@ecb.europa.eu

For other technical topics, the DG-IS SYS Citrix team (sct-sys-citrix@ecb.int) should be contacted prior to the induction session.

⁸ An exception could be when the NCA inspector is using an ECB IT tool, such as STAR for the credit file reviews.

⁹ Citrix is the software the ECB uses so that staff can remotely connect their laptops to the ECB network.

4. Starting to work at the ECB

4.1 Induction sessions

1. Once the contract is signed, the inspectors are invited to join a welcome event at the ECB. The induction session is offered to all new starters, irrespective of their type of contract/status, and is organised by DG-HR. Attendance of this session is compulsory (if not yet completed within the previous 12 months), for several crucial reasons (collecting ECB badge and ECB IT system credentials, getting to know the basics of the ECB values and working rules, etc.).
2. For ESCB/IO inspectors it is proposed that they will continue this general part with workshops addressing specific topic for on-site such as ensuring that they can access remotely the ECB IT systems, introducing the ECB travel rules and how to book an ECB business trip. ESCB/IO inspectors shall copy PCS (cross-border@ecb.europa.eu) when they confirm their attendance to an induction session, so that PCS can arrange the remote working session and ensure the inspectors collect their ID-login and initial password.
3. ESCB/IO inspectors should liaise with the JST and COI / INM (PCS in copy) should they plan a preparatory meeting after the customised induction session to discuss the mission specifics, for networking and to foster a common ECB/SSM culture. The meeting could be used to discuss the assessment plan/respective pre-inspection note.

5. During the contract

5.1 Working time at the ECB

The ECB has a flexitime arrangement in place. The flexitime arrangement allows staff and managers alike, – subject to business needs – to organise their day in a flexible manner to better suit their individual needs and provide a healthy balance between professional and private life. In practice this means that outside of the core hours and within the bandwidth – if business needs allow – staff can vary the time at which they start and finish work and take rest breaks. Additionally, this is a trust based approach therefore no clocking system is in place.

Key concepts:

- **Working days/hours:** the contractually agreed working days/amount of hours over one week period (i.e. 40 hours/week Monday to Friday in case of a full time arrangement). These are independent of the location and include teleworking, business travel (including travel between buildings), work during commuting (if necessary and required by business needs) and training.
- **Core hours:** the hours when staff is normally expected to be working. These are 10:00-12:00 & 14:00-16:30. On Monday the core time begins at 11:30 and on Friday it finishes at 14:30.

- **Bandwidth:** This represents the earliest time staff should start work and the latest time staff should finish and it goes from 7:00 to 20:00. It is a corridor in which staff can flexibly adjust when to start/end their work day and take breaks, taking into consideration the business needs of your unit.
- **Lunch break:** of at least 30 minutes for every 6 hours of work.
- **Rebalancing:** helps staff maintain the average working time to contractually agreed hours, by working fewer hours on one day to make up for longer hours worked on another, and vice versa. If the job requires staff to work additional hours, they should aim to rebalance them within the same month, subject to business needs.
- **Recuperation days:** Additional hours worked by staff should primarily be rebalanced. When rebalancing has not been possible, and the workload/priorities have given rise to additional hours, staff will have the option to recuperate. The business need for additional hours should be confirmed by the manager. This can be in advance, ex post, in writing, orally or implicitly. If staff is below E/F 59, they can claim compensation (primarily time compensation but also monetary) for overtime. If staff is above E/F 59 they can register up to 2 days of recuperation per month, these can be requested and taken the following month(s), subject to business needs. There is an accumulation cap of 6 days, after which staff would need to take some time off in order to be able to register for new ones.
- **Business travels:** up to 10 hours per day is considered working time.

5.2 Annual leave

- The annual leave entitlement is of 30.5 working days of paid leave per annum. The leave entitlement of staff members who have not worked the full year is recalculated on a pro-rata basis (public holidays observed by the ECB and days of illness are not subtracted from this entitlement).
- Annual leave days can be requested from the date of appointment, all at once or in several periods. However, their approval is subject to business requirements.
- At least 20 days shall be taken before the end of the calendar year. This minimum of 20 days includes at least one period of two consecutive weeks.
- Except for urgent family reasons caused by sickness or accident, annual leave days must be approved in advance by the relevant manager via the ISIS Portal.
- In an emergency or in the event of exceptional pressure of work, staff members may be recalled to duty while on annual leave or have approved leave cancelled. In these cases claims for reimbursement of unavoidable costs incurred, signed by the relevant manager, should be submitted to the Employee Services Division.
- The payment of an allowance in lieu of the minimum period of paid annual leave is not foreseen unless the employment relationship with the ECB is terminated or interrupted.
- Before leaving employment with the ECB staff members take their full leave entitlement. If the relevant manager decides that this is not possible due to business reasons, staff members receive compensation for unused annual leave days. The compensation is calculated on a pro-rata basis up to the date of departure. Conversely, leave taken in excess of the annual leave entitlement results in deductions being made from the salary.

5.3 Sick leave

- Sick leave is granted in case of incapacity to perform your duties because of illness or accident.
- In these cases, the member of staff should inform the immediate manager before 10 a.m. on the first day of absence (the member of staff should indicate where and how he can be contacted)

A medical certificate is required when:

- The absence is longer than two consecutive working days per period of absence (Friday and the following Monday or Tuesday and Thursday, for example, when Wednesday is a public holiday).
- It is not possible to work for the contractually agreed hours.
- The illness or accident occurs during annual leave. In these cases, the member of staff should inform the line manager as soon as possible, at the latest upon return (i.e. on the first day of returning to work).
- The uncertified absences (i.e. sick leave without certificate) exceed 10 working days per year.

The medical certificate shall indicate the date on which the sickness commenced and the date on which it is expected to end. A single medical certificate cannot certify an absence of more than six weeks in duration.

Good to know:

- Medical certificates must be sent to the Sick Leave Administration in DG-HR/ESE.
- The line manager should be informed of extensions of sick leave.
- If the absence is likely to be longer than one week, medical certificates must be mailed to the Sick Leave Administration in DG-HR/ESE.

6. End of the ESCB/IO contract

6.1 Requirements

On termination of the contract the mission team an exit meeting is foreseen at the ECB premises:

- The mission team is strongly encouraged to meet with their counterparts in the JST and the COI/INM Division, for debriefing about the mission outcomes and key findings
- The team must return their identification badges to one of the security desks of the ECB;
- The IT equipment provided by ECB, including the laptop, token, UBS pen drive, etc. has to be returned to the ECB IT Service Desk.

6.2 Travel expenses

The ECB shall cover travel related expenses on taking up appointment and on termination of service (i.e. a lump sum depending on the distance between the place of recruitment and the ECB/Frankfurt).

6.3 Contractual cooling-off period

After the completion of an ESCB/IO contract a cooling-off period equivalent to one third of the previous contract duration is required before another contract can be issued.

7. Compliance and ECB ethics framework

For compliance purposes, ECB employees need to provide information regarding their bank accounts and any powers of attorney that they hold over a third party's bank and/or custody account(s) (see ECB ethics framework). This personal information should be compiled by the inspectors in advance so that it can be entered by them on their first ECB working day into the ECB's ISIS system (link accessible from the ECB intranet : <https://erlp02.ecb.de:50501/irj/portal/AccountDeclaration>)

Additionally, the inspector must be aware that he/she must comply with the Ethics Framework of the ECB. Hence, inspectors are advised to read, be informed about and comply with the ECB ethics framework.

The ECB ethics framework is available online:

https://www.ecb.europa.eu/ecb/legal/pdf/oj_joc_2015_204_r_0004_en_txt.pdf

In particular, the inspector shall:

- respect the ECB's common values and conduct themselves in their professional and private lives in a manner befitting the character of the ECB as a European institution;
- perform their duties conscientiously, honestly and without regard to self-interest or national interests;
- avoid situations that give or may be perceived to give rise to conflicts of interest, including those arising from subsequent occupational activities;
- adhere to the highest standards of professional ethics and act with loyalty to the Union and the ECB;
- respect the ECB's rules on private financial transactions;
- adhere to the ECB's rules on dignity at work.

On a recurring basis, ECB staff are selected at random for an audit of compliance with the ethics framework. Please be aware that also ESCB/IO contract holders may be selected for the sample and hence be audited. This may involve the need to provide further details on personal financial accounts and transactions.