



PRESS RELEASE

EUROPEAN PARLIAMENT TO REBUKE BANKING AGENCY OVER REVOLVING DOORS

Tomorrow, the European Parliament is voting on a strong resolution rebuking the European Banking Authority over its lax ethics procedures.

Brussels, 15 January 2020 - Members of European Parliament (MEPs) are taking action on a recent decision of the European Banking Authority, which allowed its Executive Director, Adam Farkas, to go straight from his present job as a top banking regulator to become the CEO of a powerful banking lobby group: the Association for Financial Markets in Europe (AFME).

On Thursday, 16th January, the European Parliament's Committee on Economic and Monetary Affairs (ECON) will ask the plenary for a vote: to adopt a [resolution](#) with a rather unusual strong rejection of this decision.

In the resolution, agreed unanimously in ECON, MEPs ask the EBA to review its decision, and encourage all MEPs not to meet with Farkas for two years. Also, the resolution suggests that the European Parliament's administration should consider carefully whether the former EBA Director should be allowed an access badge to enter parliament premises.

The case has led to reactions outside parliament as well. The Change Finance coalition, a civil society coalition that campaigns for reforms of the financial sector, has urged MEPs to act from an early stage. Lately, the European Ombudsman has accepted a [complaint](#) from the coalition, supported by MEPs from four party groups (GUE-NGL, Greens, S&D and Renew). In the complaint, the Ombudsman is asked to hoist a red flag to the EBA, including by recommending a reversal of the decision.

Shonan Kothari, convener of the Change Finance coalition and campaigner at Finance Watch, said:

“There are cases where the EU institutions are left with few other options but to turn down an application of a senior official to go to another job. This is one of them. It is indefensible to allow a top regulator to join the ranks of a powerful lobby group. The EBA has imposed restrictions on Farkas, but these restrictions are too weak. The move will potentially provide the biggest European and global banks with sensitive information about a key institution that was set up to regulate these very same banks.”

Kenneth Haar, a member of the Change Finance coalition and researcher at Corporate Europe Observatory, said:

“Our investigation indicates the EBA has not taken this seriously enough. Apparently, they didn’t pay much attention to the outcry that followed when a former top banking lobbyist of Santander was selected as EBA chairperson earlier last year. There is something wrong with the governance of this important institution, and we need the European Parliament and the Ombudsman to help us fix it.”

Paul Tang, a Dutch member of the S&D group in the European Parliament, said:

“It is totally unacceptable that personal contacts and insider knowledge will come into the hands of lobbyists, increasing the risk of back-room deals. What is worse, civil servants might take Farkas as an example and try to please lobbyists in the hope of a well-paying job. That’s why I called on the European Parliament to defend the EU’s integrity and demand that EU rules are put to their effect. With no one enforcing the EU’s strict rules, I am proud that the Parliament is taking a stance tomorrow. We want the move to be blocked. If not, we stand ready to ban Mr Farkas: no meetings and no access to the Parliament.”

Adam Farkas is to leave the EBA on 31 January, and he is supposed to take up his new job at AFME immediately after. Even if that were to happen, this debate will continue. One of the most egregious cases of revolving doors in a long time in the EU will not go away any time soon. It has provoked a reaction from many Members of the European Parliament: The resolution they are set to adopt asks for not only a thorough look at the EBA but at the rules for ‘revolving doors’ in all EU institutions in the years to come.



For further information or interview requests, please contact:

Shonan Kothari, Convener, Change Finance
shonan@changefinance.org / +32 / 2 880 0440 / +32 / 489 25 08 11

Or

Kenneth Haar, Researcher, Corporate Europe Observatory
kenneth@corporateeurope.org, /+45 / 23600631

NOTES TO EDITORS

[Change Finance](#) is a coalition of civil society organisations and citizens that campaigns for reforms of the financial sector.

As a result of a Change Finance campaign during the 2019 EU elections, 78 Members of European Parliament signed a pledge to stand up to the power of the financial lobby. Now, the coalition is working to convert the commitments of the pledge into real action that matters.

On the EBA case, Change Finance coalition members have provided support to key MEPs by making them aware of the issue and implications, framing questions for commissioner hearings, building political support on the issue across the political groups, contributing to the framing of the motion for resolution.

Further Resources

- [Ombudsman complaint filed by Change Finance](#)
- [Draft resolution from the European Parliament](#)
- [Statement from 62 civil society organisations](#)
- For more information on the Farkas case see this [article](#) by Corporate Europe Observatory

