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EACB Answer to Public Consultation on Whistleblower Protection

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The **European Association of Co-operative Banks** ([EACB](http://www.eacb.coop)) is the voice of the co-operative banks in Europe. It represents, promotes and defends the common interests of its 28 member institutions and of co-operative banks in general. Co-operative banks form decentralised networks which are subject to banking as well as co-operative legislation. Democracy, transparency and proximity are the three key characteristics of the co-operative banks' business model. With 4,050 locally operating banks and 58,000 outlets co-operative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving 210 million customers, mainly consumers, retailers and communities. The co-operative banks in Europe represent 79 million members and 749,000 employees and have a total average market share of about 20%.

For further details, please visit www.eacb.coop

The voice of 4.050 local and retail banks, 79 million members, 210 million customers

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The EACB welcomes the opportunity to comment on the Commission's public consultation on whistleblower protection. EACB members are strongly committed to promote well-functioning corporate governance, including best practices on identifying and investigating wrongdoings. Some of our members highly value and advocate whistleblower protection even beyond the applicable legislation.

As a general comment from the banking sector, whistleblowing and whistleblower protection is already well regulated in the financial industry. For example, under both CRD IV (Art. 71) and MiFID II (Art. 73), competent authorities must establish effective mechanisms to enable external reporting by employees of financial institutions of potential or actual breaches of the applicable legislation.

These pieces of legislation provide that the identity of both the whistleblower and the individual who is allegedly responsible for the breach must be protected at all stages of the procedure unless disclosure is required by national law in the context of further investigations or subsequent proceedings. Furthermore, employees who report breaches committed within the financial institution, must have appropriate protection against retaliation, discrimination or other types of unfair treatment at a minimum. Firms must have appropriate procedures in place in order for employees to report potential or actual breaches internally through a specific independent and autonomous channel. Competent authorities have given more detailed guidance correspondingly.

The focus of the ongoing consultation is very broad, for which reason all financial sector specific concerns are not possible to be raised at this point. As the financial industry already is well regulated in this field, the Commission should conduct a thorough assessment of the financial sector related provisions before considering to impose additional requirements for the financial industry.

If considering additional regulation, the EACB members would like to highlight that different group structures and governance models should be taken into account in determining appropriate and the most efficient measures. For example, co-operative banks that are associated with a central institution (CRR Article 10 banking groups) or belong into the same institutional protection scheme (IPS) should be generally considered as one entity. This allows enough flexibility and efficiency in the application of the requirements for all types of business models and would not set competitive disadvantage to the co-operative banking groups compared with their commercial bank peers.

Contact:

The EACB trusts that its comments will be taken into account.

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