Dear applicant,

As a follow-up to your earlier request for information on the private banking relationships concerning the EU budget, please see the information below

The Commission has accounts with Member State treasuries, central banks and commercial banks.

Own resources, the main source of EU revenue, are credited to the European Commission accounts held with Member States' treasuries or central banks. From there, the Commission transfers the necessary funds to its accounts with **commercial banks** from which most of payments are made to EU beneficiaries.

Accounts with commercial banks are opened for the purpose of executing payments and receiving receipts other than the Member State contributions to the budget and carry out those payments to beneficiaries and creditors which cannot be carried out through the accounts with Member State treasuries or through the central banks.

The Commission only transfers to these accounts the funds needed to carry out its daily payments. Replenishment of accounts with commercial banks is made on a just-in-time basis. Minimum cash levels, which take into account the average amount of daily payments executed from it, are kept on each account. These accounts are opened as a result of public tenders.

The choice of a commercial banking partner depends on the

- Execution of payments in EUR mainly within the Single Euro Payments Area (SEPA) is managed by the banks included in contract award notice eTED 2019/S 248-61134;
- The Commission also keeps bank accounts in some **non-euro currencies** in order to execute payments in the currencies' domestic markets. The contracts for this service were awarded to the banks listed in contract award notice eTED 2019/S 132-323042. Following the successive negotiated procedures, contract for payments in GBP, PLN, CHF, CZK BGN were attributed to BNP Paribas Ireland, BNP Paribas Poland, Banca Popolare di Sondrio, Ceska Sporitelna a.s, KBC Bulgaria respectively;
- Payments to beneficiaries **outside the EU**, denominated in EUR and in various non-EU currencies are processed through the following banks: 2020/S 014-027289 contract award notice eTED;
- Gross of payments to EU Delegations' beneficiaries outside the SEPA area (**local payments**) are executed from bank accounts opened in EU Member State as a local payment, through the local clearing systems of the countries where the beneficiaries hold their bank accounts. These payments are currently ensured by three banks mentioned in contract award notice eTED: 2022/S 128-363210;
- **Receipts** arise from the payment of own resources by the Member States and from the Recovery Orders sent to companies or individuals, usually claiming a return of funds granted for projects and other contracts not completed or where claimed project expenditure was not justified. While Own Resources are received on Commission's accounts opened for this purpose with Member States treasuries and central banks, in accordance with Art 9 of Council Regulation 609/2014, all other receipts are received into a central receipt bank account held with one commercial bank, following contract award notice eTED: 2022/S 115-323067.

For **Asset Management** purposes, the Commission entered banking relationships (purchase/sale of bonds/Money Market Funds/Exchange Traded Funds, term deposits, Forex transactions, custody of securities) with the following counterparties in accordance with Commission procurement rules: ABN Amro, Amundi, Bank for International Settlements, Banque de France, Barclays, Bayern LB, BBVA, BCEE, Banque Centrale du Luxembourg, Blackrock, BNP Paribas, BOFA Merril Lynch, Credit Agricole, Caceis, Citigroup, Clearstream, Commerzbank, Credit Suisse, Danske, Deutsche Bank, DWS, DZ Bank, Erste Group, US Federal Reserve, Flow Traders, Goldman Sachs, HSBC, IMI, ING, Jane Street, JP Morgan, Lloyds, Mizuho, Morgan Stanley, Natixis, Natwest, Nomura, Nordea, Nordlb, Opbank, Rabobank, Raiffeisen, Royal Bank of Canada, Santander, Scotiabank, SMBC, Société Générale, Swedbank, Toronto Dominion, UBS, Unicredit.

For borrowing operations, the Commission relies on a Primary Dealer Network to facilitate the efficient execution of auctions and syndicated transactions, support liquidity in the secondary markets, and ensure the placement of our debt with the widest possible investor base. The Primary Dealer Network reinforces the Commission's capacity and ensures transparent relations with banks that support the placement of EU borrowing. There are currently 40 Primary Dealers in the Commission's Primary Dealers Network. Full details of these Primary Dealers and the related eligibility criteria can be found here: Primary Dealer Network (europa.eu)

In order to perform the Asset Management as well as borrowing and lending's activities, the European Commission holds several bank accounts with different institutions chosen based on the best investment practice. These activities are exempt from the procurement process.

The banks with whom The European Commission is holding deposit accounts managed by the Directorate E are as follow:

- BCEE, La Banque et Caisse d'Epargne de l'Etat (Spuerkeess), Luxembourg
- BCL, Banque centrale du Luxembourg
- ECB, European Central Bank, Germany
- Lloyds Bank, UK
- Commerzbank, Germany
- FED, Federal Reserve Bank, USA

Furthermore, Directorate E manages its custody accounts opened with Clearstream, Luxembourg.

We hope you find the information useful,

Yours faithfully,

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