

COMPLIANCE NOTIFICATION

To whom it may concern

The **European Financial Stability Facility** (the EFSF) has been incorporated on 7 June 2010 as a **société anonyme** and is based in Luxembourg (registration number **B153414**). The mandate of the EFSF is to provide financial assistance to euro area Member States by issuing financial instruments. As of 1 July 2013, the EFSF can no longer engage in new financial assistance programmes or enter into new loan facility agreements, but it will continue to manage existing programmes and the repayment of any outstanding debt. To fulfil its ongoing activities, the EFSF entered into a service level agreement dated 1 January 2013 with the European Stability Mechanism (the ESM) based upon which the ESM provides the EFSF with all administrative, logistical and other support services, including resources. Consequently all daily operations of the EFSF are managed by the ESM and the ESM staff in line with the specific ESM guidelines, rules and procedures (where relevant and applicable).

The publicly accessible ESM/EFSF webpage contains all relevant information for the EFSF's business partners to conduct customer due diligence by displaying specific and detailed information relating to the EFSF governance structure, its decision-making and its annual accounts. In order to facilitate and accommodate numerous requests for information to conduct customer due diligence, and considering the unique position of the EFSF in respect of its governance structure and composition of its decision-making bodies, this specific compliance notification sets out the most important information as a replacement for the otherwise standard due diligence surveys.

- **EFSF shareholders**

The EFSF shareholders are the **euro area Member States**, excluding Latvia, Lithuania and Croatia (which only joined the ESM). The number of shares and subscription amounts for each shareholder are available [here](#). The EFSF shares are issued in registered form.

- **Board of Directors**

The **Board of Directors** (BoD) comprises a member for each of the EFSF shareholders. The European Commission and ECB may participate as observers in the BoD meetings. The BoD performs all EFSF acts of administration. It decides on the acts in respect of the existing financial assistance operations, and is also responsible for drawing up the balance sheet, and the profit and loss accounts of the EFSF. The composition of the BoD is available [here](#) and is subject to regular updates whenever a shareholder appoints a new director. All shareholders are required under the **EFSF Framework Agreement** (available [here](#)) to approve the appointment of a director as proposed by each relevant shareholder.

- **Articles of Association**

The **Articles of Association** (*Statuts Coordonnés*, available [here](#)) and the Framework Agreement form the two main documents of the operational, legal and governance structure of the EFSF.

- **Chief Executive Officer**

The conduct of the daily management and affairs of the EFSF is delegated to Mr. Pierre Gramegna.

- **Audit Committee, external auditor and Internal Audit**

The EFSF has established an **Audit Committee** (as a sub-committee of the Board of Directors) which monitors the financial reporting process, and the effectiveness of the EFSF internal control, internal audit and risk management systems. The current composition of the Audit Committee is available [here](#). In addition, the EFSF has appointed an **external auditor** (*réviseur d'entreprises agréé*) whose mandate shall expire at the time of the annual general meeting of the shareholders of the EFSF to be held in 2020. The external auditor is appointed amongst the members of the *Institut des Réviseurs d'Entreprises*. The **Internal Audit** function of the ESM also oversees the activities of the EFSF based on the service level agreement.

- **Annual Accounts**

The **EFSF Annual Accounts** are all published on the ESM/EFSF webpage; the most recent report is available [here](#). It is also lodged with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg - RCS*).

- **Anti-money laundering, terrorism financing and sanctions violations**

The EFSF is not subject to the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing (AML Law). When ESM employees manage EFSF operations, they perform their activities in line with the ESM internal “**Policy on the prevention of money laundering, terrorism financing and sanctions violations**” (as established by the ESM Managing Director). Sanctions compliance measures form part of the policy and are also implemented. An extract of the internal policy is available [here](#).

The EFSF only enters into financial transactions with counterparties that are either (i) Clearing Systems or Counterparty Clearing Houses (CCPs), (ii) Central Banks, (iii) Sovereign States and their debt management offices, (iv) Sub-sovereign entities, (v) Government Agencies, (vi) Government-guaranteed institutions, (vii) Supranational Institutions, or (viii) Credit or financial institutions which are subject to the Directive (EU)2015/849 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing or are operating in a third country which imposes requirements equivalent to those laid down in the above mentioned Directive and are supervised for compliance with those requirements.

- **Code of Conduct**

The ESM established a **Code of Conduct** to set ethical standards for its staff which also supports its anti-bribery and corruption compliance efforts. The Code of Conduct is available [here](#), and automatically applies to the activities of ESM staff when carrying out activities for the EFSF.

- **Organisational Chart**

The **organisational chart** is available [here](#).

- **EFSF Authorised Signatory List**

A copy of the **EFSF Authorised Signatory List** in force at any time is available upon request.

Luxembourg, 25 September 2023

[DULY AUTHORISED]

Pierre Gramegna
Chief Executive Officer