

Press Release 3 May 2016
From the Staff of FBME Bank in Cyprus

Current and former staff of FBME Bank note the press release dated 28 April 2016 from the Central Bank of Cyprus (CBC) and welcome CBC's efforts to communicate in respect of the ongoing dispute. Staff wish to acknowledge certain points but also need to clarify and correct some of the points made. In particular, staff wish to state that the CBC press release gives the incorrect impression that they have reached an agreement with staff and honoured this in full; this is not the case.

Staff, Special Administrator and CBC have been actively engaged in both oral and written negotiations following the strike action and a proposal was made and accepted, in principal, by all parties on 18 April 2016. This proposal, evidenced in writing, was for full payment of sums payable for notice on termination of employment, annual leave, outstanding 13th salary, and payments for maternity. It was further agreed that 75% of accrued contractual bonuses and the end of service benefit scheme would be paid and that staff would apply to the Labour Court for a ruling in respect of the remaining 25%. This was a significant concession by staff designed to give comfort to CBC and the Special Administrator as on 10 December 2015 the previous Special Administrator had already agreed in writing that accrued contractual bonuses and the end of service benefit scheme were payable in full and with immediate effect.

The current Special Administrator and the CBC requested that staff allow for a full audit of their claimed amounts and that staff cease protest activity before the Central Bank of Cyprus. It was agreed that the audit be expedited in order that payment of claims could be made by 22 April 2016. As a gesture of good faith staff ceased protest activity as requested and did all in their power to facilitate the audit. This audit was conducted by accountants selected by the Special Administrator and the CBC and was eventually completed on 26 April. The Special Administrator then confirmed agreement with the proposal and the audited claim amounts.

On 27 April 2016 the Resolution Authority, which comprises of the Board of Directors of the CBC, met to discuss the agreement. After that meeting it was announced that CBC would after all, and despite their previous assurances, not honour the agreement. Consequently, staff were forced to resume protest activity outside the CBC building on the morning of 28 April 2016.

Staff note that CBC discuss the size of end of service benefit payments due to an extremely small number of very senior staff. However, as CBC already know, most staff do not have anywhere near such sizeable entitlements. It is disappointing that the CBC media release did not also make it clear that well over half the staff are

protesting for end of service benefit payments of less than 30,000 Euro. Moreover, although FBME generally paid a market rate to staff the demographics of the organisation are such that the majority of staff at FBME actually earned an average Cyprus salary. The reality is that the deliberate withholding of statutory and contractual rights puts a real and immediate pressure on vulnerable staff and sets a corrosive precedent for employee relations in Cyprus.

CBC state that the staff provident fund was wound up in 2015. This is accurate and was done because the management of the provident fund identified, correctly, that the protection of provident funds in Cyprus was being diminished. This in no way detracts from staff entitlements to statutory or contractual benefits.

Staff can confirm the Special Administrator's honourable initiative to give instructions for payment on 28 April 2016 from CBC to the account of their lawyers. This payment corresponds to sums payable for notice on termination of employment, annual leave, outstanding 13th salary, payments/damages in line with the Protection of Maternity Law and 75% of outstanding contractual bonuses accrued. Payment has yet to reach the account of staff lawyers and it is expected that it will clear within days.

However, staff have had to wait 28 days for receipt of part of their rights and statutory payments required by law to be made and provided for in their employment contracts. It is unacceptable that staff have had to protest for 28 days in sun, rain and hail in order to obtain a partial recognition of their lawful rights. It is unacceptable that a public body could oversee this mistreatment. It is unacceptable that this public body should misrepresent this partial payment in the media as an "agreement with staff", when in fact this is nothing more than the payment of the amounts that the staff are legally entitled to, and which should have been paid simultaneously with their termination. It is regrettable that staff are being forced to protest and negotiate for rights that are non-negotiable. As a public authority, the CBC should know that statutory rights are not negotiable and they should have been the first to uphold such rights.

Unfortunately, despite the constructive negotiations that took place the opportunity to resolve the dispute in full has been missed.

Staff stress, yet again, that they are not seeking any special package. Staff claims are confined to statutory and already recognised and due contractual benefits which have not been honoured, despite constructive agreements being reached with all three successive special administrators.

Until staff demands are satisfied in full strike and protest action will continue.