

EUROPEAN CENTRAL BANK

CODE OF CONDUCT FOR THE MEMBERS OF THE GOVERNING COUNCIL

(2002/C 123/06)

THE MEMBERS OF THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Whereas.

- (1) The members of the Governing Council have a special responsibility to maintain the integrity and reputation of the European System of Central Banks (ESCB) and the European Central Bank (ECB) as well as the effectiveness of its operations and, therefore, have to ensure that their conduct reflects this special responsibility.
- (2) The members of the Governing Council have taken note of the provisions of the Code of Conduct of the European Central Bank adopted by the Executive Board of the ECB on 10 October 2000 and addressed to all persons employed by the ECB,

HAVE AGREED ON 16 MAY 2002 UPON THIS MEMORANDUM OF UNDERSTANDING ON A CODE OF CONDUCT:

1. Scope of application

This Code of Conduct gives guidance to and sets ethical conventions, standards and benchmarks for members of the Governing Council and their alternates appointed in accordance with Article 4.4 of the Rules of Procedure of the European Central Bank (hereinafter referred to as the 'members of the Governing Council') when exercising their functions as members of the Governing Council of the ECB. The Code is without prejudice to other rules of conduct addressed to central bank Governors and the Code of Conduct of the European Central Bank that gives guidance to the members of the Executive Board of the ECB.

2. Basic principles

The members of the Governing Council shall observe the highest standard of ethical conduct. They are expected to act honestly, independently, impartially, with discretion and without regard to self-interest and to avoid any situation liable to give rise to a personal conflict of interests. They are expected to be mindful of the importance of their duties and responsibilities, to take into account the public character of their function and to conduct themselves in a way that maintains and promotes the public's trust in the ECB.

3. Independence

- 3.1. In accordance with Article 108 of the Treaty establishing the European Community and Article 7 of the Statute of

the ESCB, members of the Governing Council, when exercising the powers and carrying out the tasks and duties conferred upon them, shall not seek or take instructions from Community institutions or bodies, from any government of a Member State or from any other body, including any decision-making body that they belong to.

- 3.2. The members of the Governing Council shall act in the general interest of the euro area. For decisions to be taken in accordance with Article 10.3 of the Statute of the ESCB, Governors may also take into account the interest of their respective national central bank as shareholder.
- 3.3. Respect of the principle of independence is incompatible with applying for, receiving or accepting from any source except from within the ESCB any benefits, rewards, remuneration or gifts in excess of a customary or negligible amount, whether financial or non-financial, which are connected in any way whatsoever with the function as a member of the Governing Council.
- 3.4. Members of the Governing Council shall ensure that non-ESCB activities, if any, whether remunerated or not, have no negative impact on their obligations and will not damage the image of the ECB. In scientific or academic contributions, members of the Governing Council shall make clear that the contribution is made in a personal capacity and does not represent the views of the Governing Council or the ECB. When making public statements on ESCB-related matters, members of the Governing Council shall have due regard to their role and duties in the Governing Council.
- 3.5. Relations with interest groups shall be based upon an approach that is compatible with their independence as members of the Governing Council and the principle of integrity.
- 3.6. The members of the Governing Council shall once a year send to the President of the ECB a list of their external mandates, either public or private, which are to be exercised during their term of office.

4. Conflict of interests

- 4.1. The members of the Governing Council shall avoid any situation liable to give rise to a conflict of interests. A conflict of interests arises where the members of the Governing Council have private or personal interests, which may influence or appear to influence the impartial and objective performance of their duties. Private or personal interests of the members of the Governing Council mean any potential advantage for themselves, their families, their other relatives or their circle of friends and acquaintances.
- 4.2. In view of the impact of decisions to be taken by the Governing Council on market developments, the members of the Governing Council shall be in a position to act with full independence and impartiality.
- 4.3. The members of the Governing Council shall not use confidential information to which they have access for the purpose of carrying out private financial transactions, whether directly or indirectly via third parties or whether conducted at their own risk and for their own account, or at the risk and for the account of a third party.

5. Professional secrecy

Professional secrecy, provided for in Article 38 of the Statute of the ESCB, requires the non-divulgence of confidential information. This shall be taken into account, in particular, in public speeches or statements and in relations with media with regard to monetary policy decisions that have not yet been officially disclosed to the public. The members of the Governing Council shall take all necessary measures to ensure that the persons having access to their information also respect the professional secrecy obligations imposed by Article 38 of the Statute of the ESCB.

6. Continuance of duties

During the first year after their duties have ceased, the members of the governing Council shall continue to avoid any conflict of interests that could arise from any new private or professional activities. They shall, in particular, inform the members of the Governing Council in writing whenever they intend to engage in such activities and shall seek their advice before committing themselves.

7. Ethics Adviser

The Governing Council shall appoint an Ethics Adviser to provide guidance to the members of the Governing Council.

8. Publication

This Code of Conduct shall be published in the *Official Journal of the European Communities*.

Made in one original copy, deposited in the vaults of the ECB. Each party to this Memorandum of Understanding shall receive a certified copy thereof.

Willem F. DUISENBERG

Christian NOYER

Jaime CARUANA

Vítor CONSTÂNCIO

Eugenio DOMINGO SOLANS

Antonio FAZIO

Sirkka HÄMÄLÄINEN

John HURLEY

Otmar ISSING

Klaus LIEBSCHER

Yves MERSCH

Tommaso PADOA-SCHIOPPA

Lucas D. PAPADEMOS

Guy QUADEN

Jean-Claude TRICHET

Matti VANHALA

Nout WELLINK

Ernst WELTEKE