



## **OPINION OF THE EUROPEAN CENTRAL BANK**

**of 15 March 2012**

**on the appointment of the members of the Governing Council of Latvijas Banka**

**(CON/2012/19)**

### **Introduction and legal basis**

On 10 February 2012, the European Central Bank (ECB) received a request from the Budget and Finance Committee of the Latvian Parliament for an opinion on draft amendments to the Law on Latvijas Banka (hereinafter the 'draft law').

The ECB's competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union and the third indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions<sup>1</sup>, as the draft law relates to Latvijas Banka. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

### **1. Purpose of the draft law**

The objective of the draft law is to increase transparency as regards the appointment of the Governor, the Deputy Governor and the other members of the Governing Council of Latvijas Banka by the Parliament. The draft law amends Article 22 of the Law on Latvijas Banka, deleting the rule that the appointment is made through a secret ballot.

### **2. General observations**

The ECB has assessed the compatibility of Latvian legislation, including the Law on Latvijas Banka, with the requirements of Union law related to central bank independence, monetary financing and Latvijas Banka's participation in the European System of Central Banks and, prospectively, the Eurosystem, in its convergence reports since 2004. This opinion is without prejudice to any issues raised in these reports, in particular the latest report of May 2010.

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<sup>1</sup> OJ L 189, 3.7.1998, p. 42.

**3. Amendments to Article 22 of the Law on Latvijas Banka**

The ECB has no comments on the amendment proposed in the draft law regarding the modality of voting in the Parliament when it appoints the Governor, the Deputy Governor and the other members of the Governing Council of Latvijas Banka.

The ECB notes, however, that Article 22 needs to be adapted to fully comply with Article 14.2 of the Statute of the European System of Central Banks and of the European Central Bank<sup>2</sup>.

This opinion will be published on the ECB's website.

Done at Frankfurt am Main, 15 March 2012.

[signed]

*The President of the ECB*

Mario DRAGHI

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<sup>2</sup> See the ECB's Convergence Report of May 2010.