

EUROPEAN CENTRAL BANK

Code of Conduct for the Members of the Supervisory Board of the European Central Bank

(2015/C 93/02)

THE SUPERVISORY BOARD OF THE EUROPEAN CENTRAL BANK,

Having regard to Decision ECB/2004/2 of 19 February 2004 adopting the Rules of Procedure of the European Central Bank ⁽¹⁾, and in particular Article 13e(1) thereof,

Whereas:

- (1) Article 19(1) of Council Regulation (EU) No 1024/2013 ⁽²⁾ requires members of the Supervisory Board of the European Central Bank (hereinafter the 'members of the Supervisory Board') to act independently and objectively in the interest of the Union as a whole and to neither seek nor take instructions from the institutions and bodies of the Union, from any government of a Member State or from any other public or private body.
- (2) Article 25 of Regulation (EU) No 1024/2013 establishes the principle of separation between the specific tasks of the European Central Bank (ECB) concerning policies relating to prudential supervision and its tasks relating to monetary policy, as well as other tasks, in order to avoid conflicts of interest, and ensures that these functions are exercised in accordance with the applicable objectives.
- (3) Article 31(3) of Regulation (EU) No 1024/2013 requires the ECB to establish and maintain comprehensive and formal procedures including ethics procedures and proportionate periods to assess in advance and prevent possible conflicts of interest resulting from subsequent employment within two years of members of the Supervisory Board and to provide for appropriate disclosures subject to applicable data protection rules. These procedures are to be without prejudice to the application of stricter national rules. As regards members of the Supervisory Board who are representatives of national competent authorities, such procedures are to be established and implemented in cooperation with national competent authorities. Furthermore, these procedures are without prejudice to the application of the ECB terms and conditions of employment of the Chair, the Vice-Chair and the four ECB representatives in the Supervisory Board, which also include provisions on the cooling-off periods.
- (4) Article 13e(2) of the Rules of Procedure of the European Central Bank requires each member of the Supervisory Board to ensure that any accompanying persons, alternates and the representatives of its national central bank, if the national competent authority is not the central bank, sign a declaration of compliance with the Code of Conduct prior to any participation in the meetings of the Supervisory Board,

HAS ADOPTED THIS CODE OF CONDUCT:

Article 1

Scope of application

1.1. This Code of Conduct shall apply to the members of the Supervisory Board in the performance of their duties as members of the Supervisory Board and as members of the Steering Committee of the Supervisory Board. It shall also apply to accompanying persons, alternates and representatives of national central banks, where the national competent authority is not the national central bank (hereinafter the 'other participants in Supervisory Board meetings'), in the performance of their duties relating to the Supervisory Board and the Steering Committee of the Supervisory Board, in cases where this is explicitly provided for.

1.2. This Code of Conduct shall be without prejudice to the application of stricter national rules, as well as the ECB terms and conditions of employment, including rules on private financial transactions, applicable to those coming within the scope of this Code of Conduct in their capacity as representatives of national competent authorities or representatives of national central banks of participating Member States or members of the ECB.

⁽¹⁾ OJ L 80, 18.3.2004, p. 33.

⁽²⁾ Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63).

*Article 2***Basic principles**

2.1. Members of the Supervisory Board and other participants in Supervisory Board meetings shall observe the highest standards of ethical conduct. In the performance of their duties, they are expected to act with honesty, independence, impartiality, discretion and regardless of self-interest. They shall be mindful of the importance of their duties and responsibilities, shall take into account the public character of their functions and shall conduct themselves in a way that maintains and promotes public trust in the ECB.

2.2. Members of the Supervisory Board and other participants in Supervisory Board meetings shall perform their duties in strict compliance with the Treaty on European Union and the Treaty on the Functioning of the European Union, the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB'), Regulation (EU) No 1024/2013, the Rules of Procedure of the European Central Bank and the Rules of Procedure of the Supervisory Board of the European Central Bank⁽¹⁾.

2.3. When making public statements on matters relating to the Single Supervisory Mechanism, members of the Supervisory Board shall have due regard to their role in and duties to the Supervisory Board and shall in particular make clear whether they are speaking as representatives of national competent authorities, in a personal capacity or as members of the Supervisory Board.

2.4. Members of the Supervisory Board and other participants in Supervisory Board meetings shall perform their duties as, and consider themselves in public appearances to be, representatives of the Supervisory Board, as an internal collective body of the ECB. Within the Supervisory Board, they shall coordinate messages to be conveyed via public speeches, oral and/or written, and any other form of public communication. They shall also coordinate within the Supervisory Board any appearances at hearings of and reports to the European Parliament and the Eurogroup in accordance with Article 20 of Regulation (EU) No 1024/2013 as well as any exchanges of views with national parliaments in accordance with Article 21(3) of Regulation (EU) No 1024/2013.

*Article 3***Separation from the monetary policy function**

3.1. Members of the Supervisory Board and other participants in Supervisory Board meetings shall respect the separation of the ECB's specific tasks concerning policies relating to prudential supervision from its tasks relating to monetary policy, as well as other tasks, and shall comply with internal ECB rules on the separation of prudential supervision from monetary policy to be adopted pursuant to Article 25(3) of Regulation (EU) No 1024/2013.

3.2. In the performance of their tasks, members of the Supervisory Board and other participants in Supervisory Board meetings shall take into account the objectives set by Regulation (EU) No 1024/2013 and shall not interfere with other tasks of the ECB.

*Article 4***Independence**

4.1. In accordance with Article 19(1) of Regulation (EU) No 1024/2013, members of the Supervisory Board and other participants in Supervisory Board meetings, when carrying out the tasks conferred upon them, shall act independently and objectively in the interest of the Union as a whole, regardless of national or personal interest, and shall not seek or take instructions from the institutions or bodies of the Union, from any government of a Member State or from any other public or private body.

4.2. Members of the Supervisory Board and other participants in Supervisory Board meetings shall, in particular, carry out the tasks conferred upon them free from undue political influence and from commercial interference that would affect their personal independence.

4.3. Members of the Supervisory Board and other participants in Supervisory Board meetings shall abstain from professional activities and shall resign from any position that could hinder their independence or present them with the possibility of using privileged information.

⁽¹⁾ OJ L 182, 21.6.2014, p. 56.

*Article 5***Rules on private financial transactions**

5.1. Members of the Supervisory Board and other participants in Supervisory Board meetings 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, at their own risk and on their own account or at the risk and on the account of a third party.

5.2. Members of the Supervisory Board and other participants in Supervisory Board meetings shall organise or adhere to adequate procedures for the management of their personal assets, being assets beyond those required for ordinary personal and family use, in a manner that ensures the independence of the member of the Supervisory Board, the absence of conflicts of interest and an impediment to the use of privileged information by the member.

5.3. Members of the Supervisory Board and other participants in Supervisory Board meetings shall comply with the rules on private financial transactions adopted by the ECB for ECB members of staff. With regard to members of the Supervisory Board who are representatives of national competent authorities, compliance with and monitoring of such rules on private financial transactions is subject to any applicable national procedural rules.

*Article 6***Wealth declaration**

In the absence of a requirement to provide a wealth declaration under applicable national rules, members of the Supervisory Board shall submit to the President of the ECB, either during their first three months of office or during the period of three months following the entry into force of this Code of Conduct, a written statement setting out their patrimony, any direct or indirect involvement in any company, and the prospective organisation for the management of their assets during their term of office as a member of the Supervisory Board. These written statements, including wealth declarations required under applicable national rules, shall be updated on an annual basis.

*Article 7***Opinion of the ECB Ethics Committee**

7.1. Members of the Supervisory Board and other participants in Supervisory Board meetings shall seek the opinion of the ECB Ethics Committee in the event of doubt relating to the practical application of the rules laid down in this Code of Conduct.

7.2. Members of the Supervisory Board and other participants in Supervisory Board meetings, as well as the ECB and the national competent authority or national central bank of which the requesting member of the Supervisory Board or other participant in Supervisory Board meetings is a representative, shall be informed of the principles and rationale of the opinions issued by the ECB Ethics Committee without identifying any individual member of the Supervisory Board or other participant.

*Article 8***Cooling-off periods**

8.1. Members of the Supervisory Board shall inform the President of the ECB of their intention to engage in any occupational activity, whether gainful or not, in the two-year period from the date of their ceasing to hold office. They may only engage in an occupational activity with:

- (a) a credit institution that is directly supervised by the ECB after the expiry of a period of one year from the date of cessation of their membership of the Supervisory Board;
- (b) a credit institution that is not directly supervised by the ECB, but where a conflict of interest exists or could be perceived as existing, after the expiry of a period of one year from the date of cessation of their membership of the Supervisory Board;
- (c) an institution other than a credit institution, save where a conflict of interest exists or could be perceived to exist, in which case the relevant activity may commence only after the expiry of a period of six months from the date of cessation of their membership of the Supervisory Board.

8.2. Other participants in Supervisory Board meetings shall inform the President of the ECB of their intention to engage in any occupational activity, whether gainful or not, in the one-year period from the date of their ceasing to act in that capacity. They may only engage in an occupational activity with:

- (a) a credit institution that is directly supervised by the ECB after the expiry of a period of six months from the date of cessation of their participation in the Supervisory Board;

- (b) a credit institution that is not directly supervised by the ECB, but where a conflict of interest exists or could be perceived as existing, after the expiry of a period of six months from the date of cessation of their participation in the Supervisory Board;
- (c) an institution other than a credit institution, save where a conflict of interest exists or could be perceived to exist, in which case the relevant activity may commence only after the expiry of a period of three months from the date of cessation of their participation in the Supervisory Board.

8.3. Members of the Supervisory Board and other participants in Supervisory Board meetings shall request the ECB Ethics Committee to issue an opinion on the cooling-off periods applicable to them under this Article. The ECB Ethics Committee may recommend in its opinion the waiver or reduction of the cooling-off periods laid down in this Article in circumstances where the possibility of conflicts of interest resulting from subsequent occupational activities can be excluded.

8.4. In relation to Articles 8.1(a) and 8.2(a) the ECB Ethics Committee may also recommend in its opinion extending the cooling-off periods up to a maximum of two years for Supervisory Board Members and one year for other participants in Supervisory Board meetings in appropriate circumstances where the possibility of conflicts of interest resulting from subsequent occupational activities cannot be excluded for longer periods.

8.5. Members of the Supervisory Board and other participants in Supervisory Board meetings should be paid appropriate compensation in respect of cooling-off periods by their respective employer institutions. This compensation should be paid irrespective of the receipt of an offer to engage in an occupational activity. Accordingly, Members of the Supervisory Board and other participants in Supervisory Board meetings may request an opinion from the ECB Ethics Committee on the appropriate level of compensation in respect of cooling-off periods.

8.6. Opinions issued by the ECB Ethics Committee under Paragraphs 3, 4 and 5 shall be addressed to the Supervisory Board for its consideration. The Supervisory Board shall then make a recommendation to the respective national competent authority or the respective national central bank who shall inform the Supervisory Board of any impediment to the implementation of this recommendation.

Article 9

Conflicts of interest

9.1. Members of the Supervisory Board and other participants in Supervisory Board meetings shall avoid any situation which could give rise or may be perceived as giving rise to a conflict of interest. A conflict of interest arises where the members of the Supervisory Board and other participants in Supervisory Board meetings have private or personal interests that may influence the impartial and objective performance of their tasks including any potential benefit or advantage to themselves, their family members or their recognised partners.

9.2. Any situation that could cause or could be perceived as causing a conflict of interest shall be disclosed in writing by members of the Supervisory Board and other participants in Supervisory Board meetings to the Supervisory Board and these members shall not participate in any deliberation or vote in relation to that situation.

Article 10

Gifts or other benefits

10.1. A 'gift' means any benefit or advantage, whether financial or in kind, which is connected with the duties conferred on members of the Supervisory Board or other participants in Supervisory Board meetings but is not the agreed compensation for the services delivered, whether given by or offered to the members of the Supervisory Board or other participants in Supervisory Board meetings, or to any member of their families or their recognised partners.

10.2. Acceptance of a gift shall not, in any event, impair or influence the objectivity and freedom of action of a member of the Supervisory Board and shall not create an inappropriate obligation or expectation on the part of the recipient or the provider. Gifts that are connected to supervised entities of a value exceeding EUR 50 and public sector gifts of a value exceeding that which is customary and considered appropriate shall be rejected. If a particular situation does not allow any such gifts to be rejected, the gift must be handed over to the ECB, the national competent authority or the national central bank of which the relevant member of the Supervisory Board or other participant in Supervisory Board meetings is a representative unless any excess above EUR 50 is paid to the ECB, the national competent authority or the national central bank. Members of the Supervisory Board and other participants in Supervisory Board meetings shall not accept frequent gifts from the same source.

*Article 11***Acceptance of invitations and related payments**

11.1. Members of the Supervisory Board and other participants in Supervisory Board meetings, bearing in mind their obligations to respect the principle of independence and avoid conflicts of interest, may accept invitations to conferences, receptions or cultural events and connected entertainment, including appropriate hospitality, if their participation in the event is compatible with the fulfilment of their duties or is in the ECB's interest. They should observe particular prudence with regard to individual invitations.

11.2. Any invitations and payments that are not in compliance with these rules shall be rejected by the members of the Supervisory Board and other participants in Supervisory Board meetings and they shall inform their counterparts of the applicable rules.

*Article 12***Activities undertaken in a personal capacity**

12.1. Members of the Supervisory Board and other participants in Supervisory Board meetings shall ensure that activities undertaken by them in a personal capacity, if any, whether remunerated or not, do not have a negative impact on their obligations and will not damage the reputation of the ECB.

12.2. Teaching and scholarly activities, for example, as well as other activities, may be undertaken by members of the Supervisory Board and other participants in Supervisory Board meetings, provided that these activities are not related to supervised entities. They may accept remuneration and the reimbursement of expenses for such activities when undertaken in a personal capacity and without the involvement of the ECB, provided that such remuneration and expenses are commensurate with the work performed and remain within customary limits.

12.3. On an annual basis, members of the Supervisory Board and other participants in Supervisory Board meetings shall notify the Ethics Committee in writing of any activities in which they have participated in a personal capacity and of any remuneration resulting from their external mandates, whether public or private, which were performed during their terms of office.

12.4. In scientific or academic contributions, members of the Supervisory Board and other participants in Supervisory Board meetings shall make clear that such contributions are made in a personal capacity and do not represent the views of the ECB.

*Article 13***Gainful employment or other duties of a spouse or recognised partner**

The members of the Supervisory Board and other participants in Supervisory Board meetings shall immediately report to the Ethics Committee any gainful employment or other remunerated activities of their spouse or recognised partner that could cause or could be perceived as causing a conflict of interest, even in the event of doubt.

*Article 14***Professional secrecy**

14.1. Members of the Supervisory Board and other participants in Supervisory Board meetings shall take into account the requirements of professional secrecy in Article 37 of the Statute of the ESCB, Article 27(1) of Regulation (EU) No 1024/2013 and Article 23a of the Rules of Procedure of the European Central Bank, pursuant to which members are required not to disclose confidential information, whether in public speeches or statements or to the media, with regard to supervisory decisions that have not yet been officially published.

14.2. Members of the Supervisory Board and other participants in Supervisory Board meetings shall take all necessary measures to ensure that the professional secrecy obligations in Article 37 of the Statute of the ESCB are respected by persons having access to the members' information.

*Article 15***Information on conflicting national legal provisions**

Members of the Supervisory Board and other participants in Supervisory Board meetings shall inform the ECB Ethics Committee of any impediment to compliance with this Code of Conduct to the fullest extent, including any impediment arising from conflicting national legal provisions.

*Article 16***Entry into force**

This Code of Conduct shall enter into force on the day following its adoption.

Done at Frankfurt am Main, 12 November 2014.

The Chair of the Supervisory Board

Danièle NOUY
