

GUIDELINES

GUIDELINE (EU) 2015/855 OF THE EUROPEAN CENTRAL BANK

of 12 March 2015

laying down the principles of a Eurosystem Ethics Framework and repealing Guideline ECB/2002/6 on minimum standards for the European Central Bank and national central banks when conducting monetary policy operations, foreign exchange operations with the ECB's foreign reserves and managing the ECB's foreign reserve assets (ECB/2015/11)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 127 and 128 thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Articles 12.1 and 14.3 in conjunction with Article 3.1 and Articles 5 and 16 thereof,

Whereas:

- (1) The Eurosystem attaches the utmost importance to a corporate governance approach that places accountability, transparency and the highest ethics standards at the centre of the Eurosystem. Adherence to these principles is a key element of the Eurosystem's credibility and essential to securing the trust of European citizens.
- (2) Against this background, it is considered necessary to establish an ethics framework for the Eurosystem laying down ethics standards the compliance with which safeguards its credibility and reputation as well as public confidence in the integrity and impartiality of the members of the bodies and staff members of the European Central Bank (ECB) and the national central banks (NCBs) of the Member States whose currency is the euro (hereinafter the 'Eurosystem Ethics Framework'). The Eurosystem Ethics Framework should be composed of this Guideline laying down the principles, a set of best practices on how to implement these principles, and the internal rules and practices adopted by each Eurosystem central bank.
- (3) Guideline ECB/2002/6 ⁽¹⁾ lays down minimum ethics standards for the Eurosystem central banks when conducting monetary policy operations and foreign exchange operations with the ECB's foreign reserves, and when managing the ECB's foreign reserve assets. The Governing Council considers it necessary to extend these minimum ethics standards to the performance of all tasks conferred on the Eurosystem to ensure that the same ethics standards apply to the members of the bodies and staff members involved in the performance of Eurosystem tasks and to safeguard the reputation of the Eurosystem as a whole. Guideline ECB/2002/6 should therefore be replaced by this Guideline.
- (4) In addition, the existing minimum standards concerning the prevention of misuse of inside information laid down in Guideline ECB/2002/6 should be developed further to reinforce the prevention of such misuse by members of the ECB's or NCBs' bodies or their staff members and to exclude potential conflicts of interest arising from private financial transactions. For this purpose, the Eurosystem Ethics Framework should clearly define the main concepts as well as the roles and responsibilities of the different bodies involved. Moreover, it should specify, beyond the general prohibition on misusing inside information, additional restrictions for persons having access to inside information. The Eurosystem Ethics Framework should also lay down the requirements for compliance monitoring and the reporting of cases of non-compliance.
- (5) The Eurosystem Ethics Framework should also include minimum standards concerning the avoidance of conflicts of interest and the acceptance of gifts and hospitality.

⁽¹⁾ Guideline ECB/2002/6 of 26 September 2002 on minimum standards for the European Central Bank and national central banks when conducting monetary policy operations, foreign exchange operations with the ECB's foreign reserves and managing the ECB's foreign reserve assets (OJ L 270, 8.10.2002, p. 14).

- (6) The Eurosystem Ethics Framework should apply in the performance of the Eurosystem tasks. It is desirable that the Eurosystem central banks apply equivalent standards to staff members or external agents engaged in the performance of non-Eurosystem tasks.
- (7) The provisions of this Guideline are without prejudice to the applicable national legislation. Where an NCB is prevented by reason of the applicable national legislation from implementing a provision of this Guideline, it should inform the ECB thereof. In addition, the NCB concerned should consider taking reasonable measures at its disposal to overcome the obstacle under national law.
- (8) The provisions of this Guideline are without prejudice to the Code of Conduct for the members of the Governing Council ⁽¹⁾.
- (9) While the Eurosystem Ethics Framework is limited to the performance of Eurosystem tasks, the Governing Council has adopted an equivalent ethics framework for the performance of supervisory tasks by the ECB and national competent authorities as part of the Single Supervisory Mechanism ⁽²⁾,

HAS ADOPTED THIS GUIDELINE:

CHAPTER I

GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Guideline:

- (1) 'Eurosystem central bank' means the ECB and the NCBs of the Member States whose currency is the euro;
- (2) 'Eurosystem tasks' means the tasks entrusted to the Eurosystem according to the Treaty and the Statute of the European System of Central Banks and of the European Central Bank;
- (3) 'inside information' means any market sensitive information pertaining to the performance of Eurosystem tasks by the Eurosystem central banks which has not been made public or is not accessible to the public;
- (4) 'market sensitive information' means information of a precise nature the publication of which is likely to have a significant effect on the prices of assets or prices in the financial markets;
- (5) 'insider' means any member of a body or staff member who has access to inside information other than on a one-off basis;
- (6) 'staff member' means any person who has an employment relationship with a Eurosystem central bank with the exception of those that are solely entrusted with tasks not related to the performance of Eurosystem tasks;
- (7) 'member of bodies' means the members of decision-making and other internal bodies of Eurosystem central banks other than staff members;
- (8) 'financial corporations' has the same meaning as defined in Chapter 2, paragraph 2.55 of Regulation (EU) No 549/2013 of the European Parliament and of the Council ⁽³⁾;
- (9) 'conflict of interest' means a situation where members of bodies or staff members have personal interests which may influence or appear to influence the impartial and objective performance of their duties;

⁽¹⁾ European Central Bank Code of Conduct for the members of the Governing Council (OJ C 123, 24.5.2002, p. 9).

⁽²⁾ Guideline (EU) 2015/856 of the European Central Bank of 12 March 2015 laying down the principles of an Ethics Framework for the Single Supervisory Mechanism (ECB/2015/12) (see page 29 of this Official Journal).

⁽³⁾ Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

- (10) 'personal interest' means any benefit or potential benefit, of a financial or non-financial nature, for the members of bodies or staff members, their family members and other relatives or for their circle of friends and close acquaintances;
- (11) 'advantage' means any gift, hospitality or other benefit of a financial or non-financial nature which objectively improves the financial, legal or personal situation of the recipient and to which the recipient is not otherwise entitled.

Article 2

Scope of application

1. This Guideline shall apply to the Eurosystem central banks in the performance of their Eurosystem tasks. In this regard, internal rules adopted by the Eurosystem central banks in the fulfilment of the provisions of this Guideline shall apply to the members of their bodies and to their staff members.
2. The Eurosystem central banks shall aim, to the extent legally feasible, to extend the obligations defined in implementation of the provisions of this Guideline to persons involved in the performance of Eurosystem tasks who are not staff members of the Eurosystem central banks.
3. The provisions of this Guideline are without prejudice to the application by the Eurosystem central banks of more stringent ethics rules to the members of their bodies and staff members.

Article 3

Roles and responsibilities

1. The Governing Council lays down the principles of the Eurosystem Ethics Framework in this Guideline and establishes best practices on how to implement these principles in view of its responsibility for determining the corporate and ethics culture at Eurosystem level.
2. The Audit Committee, the Internal Auditors Committee and the Organisational Development Committee shall be involved in the application and monitoring of the Eurosystem Ethics Framework in accordance with their respective mandates.
3. The Eurosystem central banks shall specify the roles and responsibilities of the bodies, units and staff members involved at local level in the implementation, application and monitoring of the Eurosystem Ethics Framework.

Article 4

Communication and raising awareness

1. The Eurosystem central banks shall formulate their internal rules implementing this Guideline in a clear and transparent manner, communicate them to the members of their bodies and their staff members and ensure that they are easily accessible.
2. The Eurosystem central banks shall take appropriate measures to raise the awareness of the members of their bodies and their staff members so that they understand their obligations under the Eurosystem Ethics Framework.

Article 5

Compliance monitoring

1. The Eurosystem central banks shall monitor compliance with the rules implementing this Guideline. The monitoring shall include, as appropriate, the conduct of regular and/or ad hoc compliance checks. The Eurosystem central banks shall establish adequate procedures to promptly respond to and address cases of non-compliance.
2. The monitoring of compliance shall be without prejudice to internal rules allowing for internal investigations where a member of a body or a staff member is suspected of having breached the rules implementing this Guideline.

*Article 6***Reporting of cases of non-compliance and follow-up**

1. The Eurosystem central banks shall adopt internal procedures for the reporting of cases of non-compliance with the rules implementing this Guideline including rules on whistleblowing in accordance with the applicable laws and regulations.
2. The Eurosystem central banks shall adopt measures to ensure the appropriate protection of persons reporting cases of non-compliance.
3. The Eurosystem central banks shall ensure that cases of non-compliance are followed up, including as appropriate the imposition of proportionate disciplinary measures in accordance with the applicable disciplinary rules and procedures.
4. The Eurosystem central banks shall report any major incident related to non-compliance with the rules implementing this Guideline without undue delay via the Organisational Development Committee to the Governing Council in accordance with the applicable internal procedures. In urgent cases, a Eurosystem central bank may report a major incident related to non-compliance directly to the Governing Council. In any event, the Eurosystem central banks shall inform the Audit Committee in parallel.

CHAPTER II

RULES ON THE PREVENTION OF MISUSE OF INSIDE INFORMATION*Article 7***General prohibition on misusing inside information**

1. The Eurosystem central banks shall ensure that the members of their bodies and their staff members are prohibited from misusing inside information.
2. The prohibition on misusing inside information shall cover, as a minimum: (a) the use of inside information for private transactions for one's own account or for the account of third parties; (b) the disclosure of inside information to any other person unless such disclosure is made in the course of carrying out professional duties on a need-to-know basis; and (c) the use of inside information in order to recommend or induce other persons to enter into private financial transactions.

*Article 8***Specific restrictions for insiders**

1. The Eurosystem central banks shall ensure that access to inside information is restricted to those members of bodies and staff members who need access to this information for the performance of their duties.
2. The Eurosystem central banks shall ensure that all insiders are subject to specific restrictions with regard to critical private financial transactions. A private financial transaction shall be deemed critical when it is or may be perceived to be closely related to the performance of Eurosystem tasks. The Eurosystem central banks shall establish in their internal rules a list of such critical transactions which shall include in particular:
 - (a) transactions in shares and bonds issued by financial corporations established in the Union;
 - (b) foreign exchange transactions, transactions in gold, the trading of euro area government securities;
 - (c) short-term trading, i.e. the purchase and subsequent sale or the sale and subsequent purchase of the same financial instrument within a specified reference period;
 - (d) transactions in derivatives related to the financial instruments listed under (a) to (c) and collective investment schemes the main purpose of which is to invest in such financial instruments.

3. The Eurosystem central banks shall adopt internal rules laying down the specific restrictions for insiders taking into account effectiveness, efficiency and proportionality considerations. Such specific restrictions may comprise any or a combination of the following:

- (a) the prohibition of specific financial transactions;
- (b) a prior authorisation requirement for specific financial transactions;
- (c) an *ex ante* or *ex post* reporting requirement for specific financial transactions; and/or
- (d) embargo periods for specific financial transactions.

4. The Eurosystem central banks may choose to apply these specific restrictions to staff members other than insiders.

5. The Eurosystem central banks shall ensure that their lists of critical private financial transactions may be adjusted at short notice to reflect the decisions of the Governing Council.

6. The Eurosystem central banks shall specify in their internal rules the conditions and safeguards under which members of bodies and staff members who entrust the management of their private financial transactions to an independent third party under a written asset management agreement are exempt from the specific restrictions laid down in this Article.

CHAPTER III

RULES ON THE AVOIDANCE OF CONFLICTS OF INTEREST

Article 9

Conflicts of interest

1. The Eurosystem central banks shall have a mechanism in place to avoid a situation in which a candidate being considered for an appointment as a staff member has a conflict of interest resulting from previous occupational activities or from personal relationships.

2. The Eurosystem central banks shall adopt internal rules requiring the members of their bodies and their staff members to avoid during their employment any situation liable to give rise to a conflict of interest and to report such situations. The Eurosystem central banks shall ensure that, when a conflict of interest is reported, appropriate measures are available to avoid such conflict, including relief from duties relating to the relevant matter.

3. The Eurosystem central banks shall have a mechanism in place to assess and avoid possible conflicts of interest arising from post-employment occupational activities undertaken by the members of their bodies and of their senior staff members reporting directly to the executive level.

4. The Eurosystem central banks shall, where relevant, have a mechanism in place to assess and avoid potential conflicts of interest arising from occupational activities undertaken by their staff members during unpaid leave.

CHAPTER IV

RULES ON THE ACCEPTANCE OF GIFTS AND HOSPITALITY

Article 10

Prohibition on receiving advantages

1. The Eurosystem central banks shall adopt internal rules prohibiting the members of their bodies and their staff members from soliciting, receiving or accepting a promise related to receiving for themselves or any other person any advantage connected in any way with the performance of their official duties.

2. The Eurosystem central banks may specify in their internal rules exemptions from the prohibition laid down in paragraph 1 as regards advantages offered by central banks, Union institutions bodies or agencies, international organisations and government agencies, and as regards advantages of a customary or negligible value offered by the private sector, provided in the latter case that these advantages are neither frequent nor from the same source. Eurosystem central banks shall ensure that these exemptions do not influence and may not be perceived as influencing the independence and impartiality of the members of their bodies and of their staff members.

CHAPTER V

FINAL PROVISIONS

Article 11

Repeal

Guideline ECB/2002/6 is hereby repealed.

Article 12

Taking effect and implementation

1. This Guideline shall take effect on the day of its notification to the NCBs.
2. The Eurosystem central banks shall take the necessary measures to implement and comply with this Guideline and apply them from 18 March 2016. NCBs shall inform the ECB of any obstacles for the implementation of this Guideline and shall notify the ECB of the texts and means relating to those measures by 18 January 2016 at the latest.

Article 13

Reporting and review

1. The NCBs shall report annually to the ECB on the implementation of this Guideline.
2. The Governing Council shall review this Guideline at least every three years.

Article 14

Addressees

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 12 March 2015.

For the Governing Council of the ECB
The President of the ECB
Mario DRAGHI
