



EUROPEAN CENTRAL BANK

EUROSYSTEM

INSTITUTIONAL PROVISIONS

JUNE 2015

**STATUTE OF THE ESCB
AND OF THE ECB**

RULES OF PROCEDURE

ETHICS COMMITTEE

IMPLEMENTATION OF SEPARATION

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Postal address

European Central Bank
60640 Frankfurt am Main
Germany

Tel.: +49 69 1344 0

E-mail: info@ecb.europa.eu

Website: www.ecb.europa.eu

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CONTENTS

Foreword	4
1. Statute of the ESCB and of the ECB	5
2. Rules of Procedure of the ECB	32
3. Rules of Procedure of the Executive Board of the ECB	58
4. Rules of Procedure of the General Council of the ECB	61
5. Decision concerning establishment of an Ethics Committee	69
6. Rules of Procedure of the Supervisory Board	74
7. Decision on implementation of separation between the monetary policy and supervisory functions of the ECB	83

FOREWORD

The European Central Bank's institutional provisions are a cornerstone of its legal framework and continue to provide a stable foundation for its operations: a basis which has withstood the tests of recent years largely unchanged. This booklet, which was first published in October 2004 and last republished in November 2012, has now been updated to reflect both recent amendments to the ECB's Rules of Procedure to take account of the establishment of the Single Supervisory Mechanism as the new system of banking supervision for Europe, and the establishment of an ECB ethics committee.

We trust that readers will continue to find this booklet a handy reference tool to support them in both their work and studies.

Frankfurt am Main, June 2015



Yves Mersch
Member of the ECB Executive Board

PROTOCOL (NO 4) ON THE STATUTE OF THE EUROPEAN SYSTEM OF CENTRAL BANKS AND OF THE EUROPEAN CENTRAL BANK¹

THE HIGH CONTRACTING PARTIES,

DESIRING to lay down the Statute of the European System of Central Banks and of the European Central Bank provided for in the second paragraph of Article 129 of the Treaty on the Functioning of the European Union,

HAVE AGREED upon the following provisions, which shall be annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union:

CHAPTER I

THE EUROPEAN SYSTEM OF CENTRAL BANKS

Article 1

The European System of Central Banks

In accordance with Article 282(1) of the Treaty on the Functioning of the European Union, the European Central Bank (ECB) and the national central banks shall constitute the European System of Central Banks (ESCB). The ECB and the national central banks of those Member States whose currency is the euro shall constitute the Eurosystem.

The ESCB and the ECB shall perform their tasks and carry on their activities in accordance with the provisions of the Treaties and of this Statute.

¹ Protocol as annexed to the consolidated versions of the Treaty on European Union and the Treaty on the functioning of the European Union (2010/C 83/01) (OJ C 83, 30.3.2010, p. 230).

CHAPTER II

OBJECTIVES AND TASKS OF THE ESCB

Article 2 *Objectives*

In accordance with Article 127(1) and Article 282(2) of the Treaty on the Functioning of the European Union, the primary objective of the ESCB shall be to maintain price stability. Without prejudice to the objective of price stability, it shall support the general economic policies in the Union with a view to contributing to the achievement of the objectives of the Union as laid down in Article 3 of the Treaty on European Union. The ESCB shall act in accordance with the principle of an open market economy with free competition, favouring an efficient allocation of resources, and in compliance with the principles set out in Article 119 of the Treaty on the Functioning of the European Union.

Article 3 *Tasks*

- 3.1. In accordance with Article 127(2) of the Treaty on the Functioning of the European Union, the basic tasks to be carried out through the ESCB shall be:
 - to define and implement the monetary policy of the Union;
 - to conduct foreign-exchange operations consistent with the provisions of Article 219 of that Treaty;
 - to hold and manage the official foreign reserves of the Member States;
 - to promote the smooth operation of payment systems.
- 3.2. In accordance with Article 127(3) of the Treaty on the Functioning of the European Union, the third indent of Article 3.1 shall be without prejudice to the holding and management by the governments of Member States of foreign-exchange working balances.
- 3.3. In accordance with Article 127(5) of the Treaty on the Functioning of the European Union, the ESCB shall contribute to the smooth conduct of

policies pursued by the competent authorities relating to the prudential supervision of credit institutions and the stability of the financial system.

Article 4
Advisory functions

In accordance with Article 127(4) of the Treaty on the Functioning of the European Union:

- (a) the ECB shall be consulted:
 - on any proposed Union act in its fields of competence;
 - by national authorities regarding any draft legislative provision in its fields of competence, but within the limits and under the conditions set out by the Council in accordance with the procedure laid down in Article 41;
- (b) the ECB may submit opinions to the Union institutions, bodies, offices or agencies or to national authorities on matters in its fields of competence.

Article 5
Collection of statistical information

- 5.1. In order to undertake the tasks of the ESCB, the ECB, assisted by the national central banks, shall collect the necessary statistical information either from the competent national authorities or directly from economic agents. For these purposes it shall cooperate with the Union institutions, bodies, offices or agencies and with the competent authorities of the Member States or third countries and with international organisations.
- 5.2. The national central banks shall carry out, to the extent possible, the tasks described in Article 5.1.
- 5.3. The ECB shall contribute to the harmonisation, where necessary, of the rules and practices governing the collection, compilation and distribution of statistics in the areas within its fields of competence.
- 5.4. The Council, in accordance with the procedure laid down in Article 41, shall define the natural and legal persons subject to reporting requirements, the confidentiality regime and the appropriate provisions for enforcement.

Article 6
International cooperation

- 6.1. In the field of international cooperation involving the tasks entrusted to the ESCB, the ECB shall decide how the ESCB shall be represented.
- 6.2. The ECB and, subject to its approval, the national central banks may participate in international monetary institutions.
- 6.3. Articles 6.1 and 6.2 shall be without prejudice to Article 138 of the Treaty on the Functioning of the European Union.

CHAPTER III
ORGANISATION OF THE ESCB

Article 7
Independence

In accordance with Article 130 of the Treaty on the Functioning of the European Union, when exercising the powers and carrying out the tasks and duties conferred upon them by the Treaties and this Statute, neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Union institutions, bodies, offices or agencies, from any government of a Member State or from any other body. The Union institutions, bodies, offices or agencies and the governments of the Member States undertake to respect this principle and not to seek to influence the members of the decision-making bodies of the ECB or of the national central banks in the performance of their tasks.

Article 8
General principle

The ESCB shall be governed by the decision-making bodies of the ECB.

Article 9
The European Central Bank

- 9.1. The ECB which, in accordance with Article 282(3) of the Treaty on the Functioning of the European Union, shall have legal personality, shall enjoy in each of the Member States the most extensive

legal capacity accorded to legal persons under its law; it may, in particular, acquire or dispose of movable and immovable property and may be a party to legal proceedings.

- 9.2. The ECB shall ensure that the tasks conferred upon the ESCB under Article 127(2), (3) and (5) of the Treaty on the Functioning of the European Union are implemented either by its own activities pursuant to this Statute or through the national central banks pursuant to Articles 12.1 and 14.
- 9.3. In accordance with Article 129(1) of the Treaty on the Functioning of the European Union, the decision-making bodies of the ECB shall be the Governing Council and the Executive Board.

Article 10
The Governing Council

- 10.1. In accordance with Article 283(1) of the Treaty on the Functioning of the European Union, the Governing Council shall comprise the members of the Executive Board of the ECB and the governors of the national central banks of the Member States whose currency is the euro.
- 10.2. Each member of the Governing Council shall have one vote. As from the date on which the number of members of the Governing Council exceeds 21, each member of the Executive Board shall have one vote and the number of governors with a voting right shall be 15. The latter voting rights shall be assigned and shall rotate as follows:
 - as from the date on which the number of governors exceeds 15, until it reaches 22, the governors shall be allocated to two groups, according to a ranking of the size of the share of their national central bank's Member State in the aggregate gross domestic product at market prices and in the total aggregated balance sheet of the monetary financial institutions of the Member States whose currency is the euro. The shares in the aggregate gross domestic product at market prices and in the total aggregated balance sheet of the monetary financial institutions shall be assigned weights of 5/6 and 1/6, respectively. The first group shall be composed of five governors and the second group of the remaining governors. The frequency of voting rights of the governors allocated to the first group shall not be lower than the frequency of voting rights of those of the second group. Subject to the previous sentence, the first

group shall be assigned four voting rights and the second group eleven voting rights,

- as from the date on which the number of governors reaches 22, the governors shall be allocated to three groups according to a ranking based on the above criteria. The first group shall be composed of five governors and shall be assigned four voting rights. The second group shall be composed of half of the total number of governors, with any fraction rounded up to the nearest integer, and shall be assigned eight voting rights. The third group shall be composed of the remaining governors and shall be assigned three voting rights,
- within each group, the governors shall have their voting rights for equal amounts of time,
- for the calculation of the shares in the aggregate gross domestic product at market prices Article 29.2 shall apply. The total aggregated balance sheet of the monetary financial institutions shall be calculated in accordance with the statistical framework applying in the Union at the time of the calculation,
- whenever the aggregate gross domestic product at market prices is adjusted in accordance with Article 29.3, or whenever the number of governors increases, the size and/or composition of the groups shall be adjusted in accordance with the above principles,
- the Governing Council, acting by a two-thirds majority of all its members, with and without a voting right, shall take all measures necessary for the implementation of the above principles and may decide to postpone the start of the rotation system until the date on which the number of governors exceeds 18.

The right to vote shall be exercised in person. By way of derogation from this rule, the Rules of Procedure referred to in Article 12.3 may lay down that members of the Governing Council may cast their vote by means of teleconferencing. These rules shall also provide that a member of the Governing Council who is prevented from attending meetings of the Governing Council for a prolonged period may appoint an alternate as a member of the Governing Council.

The provisions of the previous paragraphs are without prejudice to the voting rights of all members of the Governing Council, with and without a voting right, under Articles 10.3, 40.2 and 40.3.

Save as otherwise provided for in this Statute, the Governing Council shall act by a simple majority of the members having a voting right. In the event of a tie, the President shall have the casting vote.

In order for the Governing Council to vote, there shall be a quorum of two-thirds of the members having a voting right. If the quorum is not met, the President may convene an extraordinary meeting at which decisions may be taken without regard to the quorum.

- 10.3. For any decisions to be taken under Articles 28, 29, 30, 32 and 33, the votes in the Governing Council shall be weighted according to the national central banks' shares in the subscribed capital of the ECB. The weights of the votes of the members of the Executive Board shall be zero. A decision requiring a qualified majority shall be adopted if the votes cast in favour represent at least two thirds of the subscribed capital of the ECB and represent at least half of the shareholders. If a Governor is unable to be present, he may nominate an alternate to cast his weighted vote.
- 10.4. The proceedings of the meetings shall be confidential. The Governing Council may decide to make the outcome of its deliberations public.
- 10.5. The Governing Council shall meet at least 10 times a year.

Article 11 ***The Executive Board***

- 11.1. In accordance with the first subparagraph of Article 283(2) of the Treaty on the Functioning of the European Union, the Executive Board shall comprise the President, the Vice-President and four other members.

The members shall perform their duties on a full-time basis. No member shall engage in any occupation, whether gainful or not, unless exemption is exceptionally granted by the Governing Council.

- 11.2. In accordance with the second subparagraph of Article 283(2) of the Treaty on the Functioning of the European Union, the President,

the Vice-President and the other members of the Executive Board shall be appointed by the European Council, acting by a qualified majority, from among persons of recognised standing and professional experience in monetary or banking matters, on a recommendation from the Council after it has consulted the European Parliament and the Governing Council.

Their term of office shall be eight years and shall not be renewable.

Only nationals of Member States may be members of the Executive Board.

- 11.3. The terms and conditions of employment of the members of the Executive Board, in particular their salaries, pensions and other social security benefits shall be the subject of contracts with the ECB and shall be fixed by the Governing Council on a proposal from a Committee comprising three members appointed by the Governing Council and three members appointed by the Council. The members of the Executive Board shall not have the right to vote on matters referred to in this paragraph.
- 11.4. If a member of the Executive Board no longer fulfils the conditions required for the performance of his duties or if he has been guilty of serious misconduct, the Court of Justice may, on application by the Governing Council or the Executive Board, compulsorily retire him.
- 11.5. Each member of the Executive Board present in person shall have the right to vote and shall have, for that purpose, one vote. Save as otherwise provided, the Executive Board shall act by a simple majority of the votes cast. In the event of a tie, the President shall have the casting vote. The voting arrangements shall be specified in the Rules of Procedure referred to in Article 12.3.
- 11.6. The Executive Board shall be responsible for the current business of the ECB.
- 11.7. Any vacancy on the Executive Board shall be filled by the appointment of a new member in accordance with Article 11.2.

Article 12

Responsibilities of the decision-making bodies

- 12.1. The Governing Council shall adopt the guidelines and take the decisions necessary to ensure the performance of the tasks entrusted to the ESCB

under these Treaties and this Statute. The Governing Council shall formulate the monetary policy of the Union including, as appropriate, decisions relating to intermediate monetary objectives, key interest rates and the supply of reserves in the ESCB, and shall establish the necessary guidelines for their implementation.

The Executive Board shall implement monetary policy in accordance with the guidelines and decisions laid down by the Governing Council. In doing so the Executive Board shall give the necessary instructions to national central banks. In addition the Executive Board may have certain powers delegated to it where the Governing Council so decides.

To the extent deemed possible and appropriate and without prejudice to the provisions of this Article, the ECB shall have recourse to the national central banks to carry out operations which form part of the tasks of the ESCB.

- 12.2. The Executive Board shall have responsibility for the preparation of meetings of the Governing Council.
- 12.3. The Governing Council shall adopt Rules of Procedure which determine the internal organisation of the ECB and its decision-making bodies.
- 12.4. The Governing Council shall exercise the advisory functions referred to in Article 4.
- 12.5. The Governing Council shall take the decisions referred to in Article 6.

Article 13
The President

- 13.1. The President or, in his absence, the Vice-President shall chair the Governing Council and the Executive Board of the ECB.
- 13.2. Without prejudice to Article 38, the President or his nominee shall represent the ECB externally.

Article 14
National central banks

- 14.1. In accordance with Article 131 of the Treaty on the Functioning of the European Union, each Member State shall ensure that its national

legislation, including the statutes of its national central bank, is compatible with these Treaties and this Statute.

- 14.2. The statutes of the national central banks shall, in particular, provide that the term of office of a Governor of a national central bank shall be no less than five years.

A Governor may be relieved from office only if he no longer fulfils the conditions required for the performance of his duties or if he has been guilty of serious misconduct. A decision to this effect may be referred to the Court of Justice by the Governor concerned or the Governing Council on grounds of infringement of these Treaties or of any rule of law relating to their application. Such proceedings shall be instituted within two months of the publication of the decision or of its notification to the plaintiff or, in the absence thereof, of the day on which it came to the knowledge of the latter, as the case may be.

- 14.3. The national central banks are an integral part of the ESCB and shall act in accordance with the guidelines and instructions of the ECB. The Governing Council shall take the necessary steps to ensure compliance with the guidelines and instructions of the ECB, and shall require that any necessary information be given to it.

- 14.4. National central banks may perform functions other than those specified in this Statute unless the Governing Council finds, by a majority of two thirds of the votes cast, that these interfere with the objectives and tasks of the ESCB. Such functions shall be performed on the responsibility and liability of national central banks and shall not be regarded as being part of the functions of the ESCB.

Article 15

Reporting commitments

- 15.1. The ECB shall draw up and publish reports on the activities of the ESCB at least quarterly.
- 15.2. A consolidated financial statement of the ESCB shall be published each week.
- 15.3. In accordance with Article 284(3) of the Treaty on the Functioning of the European Union, the ECB shall address an annual report on the activities of

the ESCB and on the monetary policy of both the previous and the current year to the European Parliament, the Council and the Commission, and also to the European Council.

- 15.4. The reports and statements referred to in this Article shall be made available to interested parties free of charge.

Article 16
Banknotes

In accordance with Article 128(1) of the Treaty on the Functioning of the European Union, the Governing Council shall have the exclusive right to authorise the issue of euro banknotes within the Union. The ECB and the national central banks may issue such notes. The banknotes issued by the ECB and the national central banks shall be the only such notes to have the status of legal tender within the Union.

The ECB shall respect as far as possible existing practices regarding the issue and design of banknotes.

CHAPTER IV

MONETARY FUNCTIONS AND OPERATIONS OF THE ESCB

Article 17
Accounts with the ECB and the national central banks

In order to conduct their operations, the ECB and the national central banks may open accounts for credit institutions, public entities and other market participants and accept assets, including book entry securities, as collateral.

Article 18
Open market and credit operations

- 18.1. In order to achieve the objectives of the ESCB and to carry out its tasks, the ECB and the national central banks may:
- operate in the financial markets by buying and selling outright (spot and forward) or under repurchase agreement and by lending or borrowing claims and marketable instruments, whether in euro or other currencies, as well as precious metals;

- conduct credit operations with credit institutions and other market participants, with lending being based on adequate collateral.

18.2. The ECB shall establish general principles for open market and credit operations carried out by itself or the national central banks, including for the announcement of conditions under which they stand ready to enter into such transactions.

Article 19

Minimum reserves

19.1. Subject to Article 2, the ECB may require credit institutions established in Member States to hold minimum reserve on accounts with the ECB and national central banks in pursuance of monetary policy objectives. Regulations concerning the calculation and determination of the required minimum reserves may be established by the Governing Council. In cases of non-compliance the ECB shall be entitled to levy penalty interest and to impose other sanctions with comparable effect.

19.2. For the application of this Article, the Council shall, in accordance with the procedure laid down in Article 41, define the basis for minimum reserves and the maximum permissible ratios between those reserves and their basis, as well as the appropriate sanctions in cases of non-compliance.

Article 20

Other instruments of monetary control

The Governing Council may, by a majority of two thirds of the votes cast, decide upon the use of such other operational methods of monetary control as it sees fit, respecting Article 2.

The Council shall, in accordance with the procedure laid down in Article 41, define the scope of such methods if they impose obligations on third parties.

Article 21

Operations with public entities

21.1. In accordance with Article 123 of the Treaty on the Functioning of the European Union, overdrafts or any other type of credit facility with the ECB

or with the national central banks in favour of Union institutions, bodies, offices or agencies, central governments, regional, local or other public authorities, other bodies governed by public law, or public undertakings of Member States shall be prohibited, as shall the purchase directly from them by the ECB or national central banks of debt instruments.

- 21.2. The ECB and national central banks may act as fiscal agents for the entities referred to in Article 21.1.
- 21.3. The provisions of this Article shall not apply to publicly owned credit institutions which, in the context of the supply of reserves by central banks, shall be given the same treatment by national central banks and the ECB as private credit institutions.

Article 22
Clearing and payment systems

The ECB and national central banks may provide facilities, and the ECB may make regulations, to ensure efficient and sound clearing and payment systems within the Union and with other countries.

Article 23
External operations

The ECB and national central banks may:

- establish relations with central banks and financial institutions in other countries and, where appropriate, with international organisations;
- acquire and sell spot and forward all types of foreign exchange assets and precious metals; the term ‘foreign exchange asset’ shall include securities and all other assets in the currency of any country or units of account and in whatever form held;
- hold and manage the assets referred to in this Article;
- conduct all types of banking transactions in relations with third countries and international organisations, including borrowing and lending operations.

Article 24
Other operations

In addition to operations arising from their tasks, the ECB and national central banks may enter into operations for their administrative purposes or for their staff.

CHAPTER V

PRUDENTIAL SUPERVISION

Article 25
Prudential supervision

- 25.1. The ECB may offer advice to and be consulted by the Council, the Commission and the competent authorities of the Member States on the scope and implementation of Union legislation relating to the prudential supervision of credit institutions and to the stability of the financial system.
- 25.2. In accordance with any regulation of the Council under Article 127(6) of the Treaty on the Functioning of the European Union, the ECB may perform specific tasks concerning policies relating to the prudential supervision of credit institutions and other financial institutions with the exception of insurance undertakings.

CHAPTER VI

FINANCIAL PROVISIONS OF THE ESCB

Article 26
Financial accounts

- 26.1. The financial year of the ECB and national central banks shall begin on the first day of January and end on the last day of December.
- 26.2. The annual accounts of the ECB shall be drawn up by the Executive Board, in accordance with the principles established by the Governing Council. The accounts shall be approved by the Governing Council and shall thereafter be published.

- 26.3. For analytical and operational purposes, the Executive Board shall draw up a consolidated balance sheet of the ESCB, comprising those assets and liabilities of the national central banks that fall within the ESCB.
- 26.4. For the application of this Article, the Governing Council shall establish the necessary rules for standardising the accounting and reporting of operations undertaken by the national central banks.

Article 27
Auditing

- 27.1. The accounts of the ECB and national central banks shall be audited by independent external auditors recommended by the Governing Council and approved by the Council. The auditors shall have full power to examine all books and accounts of the ECB and national central banks and obtain full information about their transactions.
- 27.2. The provisions of Article 287 of the Treaty on the Functioning of the European Union shall only apply to an examination of the operational efficiency of the management of the ECB.

Article 28
Capital of the ECB

- 28.1. The capital of the ECB shall be euro 5 000 million. The capital may be increased by such amounts as may be decided by the Governing Council acting by the qualified majority provided for in Article 10.3, within the limits and under the conditions set by the Council under the procedure laid down in Article 41.
- 28.2. The national central banks shall be the sole subscribers to and holders of the capital of the ECB. The subscription of capital shall be according to the key established in accordance with Article 29.
- 28.3. The Governing Council, acting by the qualified majority provided for in Article 10.3, shall determine the extent to which and the form in which the capital shall be paid up.
- 28.4. Subject to Article 28.5, the shares of the national central banks in the subscribed capital of the ECB may not be transferred, pledged or attached.

- 28.5. If the key referred to in Article 29 is adjusted, the national central banks shall transfer among themselves capital shares to the extent necessary to ensure that the distribution of capital shares corresponds to the adjusted key. The Governing Council shall determine the terms and conditions of such transfers.

Article 29

Key for capital subscription

- 29.1. The key for subscription of the ECB's capital, fixed for the first time in 1998 when the ESCB was established, shall be determined by assigning to each national central bank a weighting in this key equal to the sum of:
- 50% of the share of its respective Member State in the population of the Union in the penultimate year preceding the establishment of the ESCB;
 - 50% of the share of its respective Member State in the gross domestic product at market prices of the Union as recorded in the last five years preceding the penultimate year before the establishment of the ESCB.

The percentages shall be rounded up or down to the nearest multiple of 0,0001 percentage points.

- 29.2. The statistical data to be used for the application of this Article shall be provided by the Commission in accordance with the rules adopted by the Council under the procedure provided for in Article 41.
- 29.3. The weightings assigned to the national central banks shall be adjusted every five years after the establishment of the ESCB by analogy with the provisions laid down in Article 29.1. The adjusted key shall apply with effect from the first day of the following year.
- 29.4. The Governing Council shall take all other measures necessary for the application of this Article.

Article 30

Transfer of foreign reserve assets to the ECB

- 30.1. Without prejudice to Article 28, the ECB shall be provided by the national central banks with foreign reserve assets, other than Member States'

currencies, euro, IMF reserve positions and SDRs, up to an amount equivalent to euro 50 000 million. The Governing Council shall decide upon the proportion to be called up by the ECB following its establishment and the amounts called up at later dates. The ECB shall have the full right to hold and manage the foreign reserves that are transferred to it and to use them for the purposes set out in this Statute.

- 30.2. The contributions of each national central bank shall be fixed in proportion to its share in the subscribed capital of the ECB.
- 30.3. Each national central bank shall be credited by the ECB with a claim equivalent to its contribution. The Governing Council shall determine the denomination and remuneration of such claims.
- 30.4. Further calls of foreign reserve assets beyond the limit set in Article 30.1 may be effected by the ECB, in accordance with Article 30.2, within the limits and under the conditions set by the Council in accordance with the procedure laid down in Article 41.
- 30.5. The ECB may hold and manage IMF reserve positions and SDRs and provide for the pooling of such assets.
- 30.6. The Governing Council shall take all other measures necessary for the application of this Article.

Article 31

Foreign reserve assets held by national central banks

- 31.1. The national central banks shall be allowed to perform transactions in fulfilment of their obligations towards international organisations in accordance with Article 23.
- 31.2. All other operations in foreign reserve assets remaining with the national central banks after the transfers referred to in Article 30, and Member States' transactions with their foreign exchange working balances shall, above a certain limit to be established within the framework of Article 31.3, be subject to approval by the ECB in order to ensure consistency with the exchange rate and monetary policies of the Union.

- 31.3. The Governing Council shall issue guidelines with a view to facilitating such operations.

Article 32

Allocation of monetary income of national central banks

- 32.1. The income accruing to the national central banks in the performance of the ESCB's monetary policy function (hereinafter referred to as 'monetary income') shall be allocated at the end of each financial year in accordance with the provisions of this Article.
- 32.2. The amount of each national central bank's monetary income shall be equal to its annual income derived from its assets held against notes in circulation and deposit liabilities to credit institutions. These assets shall be earmarked by national central banks in accordance with guidelines to be established by the Governing Council.
- 32.3. If, after the introduction of the euro, the balance sheet structures of the national central banks do not, in the judgment of the Governing Council, permit the application of Article 32.2, the Governing Council, acting by a qualified majority, may decide that, by way of derogation from Article 32.2, monetary income shall be measured according to an alternative method for a period of not more than five years.
- 32.4. The amount of each national central bank's monetary income shall be reduced by an amount equivalent to any interest paid by that central bank on its deposit liabilities to credit institutions in accordance with Article 19.

The Governing Council may decide that national central banks shall be indemnified against costs incurred in connection with the issue of banknotes or in exceptional circumstances for specific losses arising from monetary policy operations undertaken for the ESCB. Indemnification shall be in a form deemed appropriate in the judgment of the Governing Council; these amounts may be offset against the national central banks' monetary income.

- 32.5. The sum of the national central banks' monetary income shall be allocated to the national central banks in proportion to their paid up shares in the capital of the ECB, subject to any decision taken by the Governing Council pursuant to Article 33.2.

- 32.6. The clearing and settlement of the balances arising from the allocation of monetary income shall be carried out by the ECB in accordance with guidelines established by the Governing Council.
- 32.7. The Governing Council shall take all other measures necessary for the application of this Article.

Article 33

Allocation of net profits and losses of the ECB

- 33.1. The net profit of the ECB shall be transferred in the following order:
- (a) an amount to be determined by the Governing Council, which may not exceed 20% of the net profit, shall be transferred to the general reserve fund subject to a limit equal to 100% of the capital;
 - (b) the remaining net profit shall be distributed to the shareholders of the ECB in proportion to their paid-up shares.
- 33.2. In the event of a loss incurred by the ECB, the shortfall may be offset against the general reserve fund of the ECB and, if necessary, following a decision by the Governing Council, against the monetary income of the relevant financial year in proportion and up to the amounts allocated to the national central banks in accordance with Article 32.5.

CHAPTER VII

GENERAL PROVISIONS

Article 34

Legal acts

- 34.1. In accordance with Article 132 of the Treaty on the Functioning of the European Union, the ECB shall:
- make regulations to the extent necessary to implement the tasks defined in Article 3.1, first indent, Articles 19.1, 22 or 25.2 and in cases which shall be laid down in the acts of the Council referred to in Article 41;

- take decisions necessary for carrying out the tasks entrusted to the ESCB under these Treaties and this Statute;
 - make recommendations and deliver opinions.
- 34.2. The ECB may decide to publish its decisions, recommendations and opinions.
- 34.3. Within the limits and under the conditions adopted by the Council under the procedure laid down in Article 41, the ECB shall be entitled to impose fines or periodic penalty payments on undertakings for failure to comply with obligations under its regulations and decisions.

Article 35

Judicial control and related matters

- 35.1. The acts or omissions of the ECB shall be open to review or interpretation by the Court of Justice of the European Union in the cases and under the conditions laid down in the Treaty on the Functioning of the European Union. The ECB may institute proceedings in the cases and under the conditions laid down in the Treaties.
- 35.2. Disputes between the ECB, on the one hand, and its creditors, debtors or any other person, on the other, shall be decided by the competent national courts, save where jurisdiction has been conferred upon the Court of Justice of the European Union.
- 35.3. The ECB shall be subject to the liability regime provided for in Article 340 of the Treaty on the Functioning of the European Union. The national central banks shall be liable according to their respective national laws.
- 35.4. The Court of Justice of the European Union shall have jurisdiction to give judgment pursuant to any arbitration clause contained in a contract concluded by or on behalf of the ECB, whether that contract be governed by public or private law.
- 35.5. A decision of the ECB to bring an action before the Court of Justice of the European Union shall be taken by the Governing Council.

- 35.6. The Court of Justice of the European Union shall have jurisdiction in disputes concerning the fulfilment by a national central bank of obligations under the Treaties and this Statute. If the ECB considers that a national central bank has failed to fulfil an obligation under the Treaties and this Statute, it shall deliver a reasoned opinion on the matter after giving the national central bank concerned the opportunity to submit its observations. If the national central bank concerned does not comply with the opinion within the period laid down by the ECB, the latter may bring the matter before the Court of Justice of the European Union.

Article 36
Staff

- 36.1. The Governing Council, on a proposal from the Executive Board, shall lay down the conditions of employment of the staff of the ECB.
- 36.2. The Court of Justice of the European Union shall have jurisdiction in any dispute between the ECB and its servants within the limits and under the conditions laid down in the conditions of employment.

Article 37(ex Article 38)
Professional secrecy

- 37.1. Members of the governing bodies and the staff of the ECB and the national central banks shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy.
- 37.2. Persons having access to data covered by Union legislation imposing an obligation of secrecy shall be subject to such legislation.

Article 38 (ex Article 39)
Signatories

The ECB shall be legally committed to third parties by the President or by two members of the Executive Board or by the signatures of two members of the staff of the ECB who have been duly authorised by the President to sign on behalf of the ECB.

Article 39 (ex Article 40)
Privileges and immunities

The ECB shall enjoy in the territories of the Member States such privileges and immunities as are necessary for the performance of its tasks, under the conditions laid down in the Protocol on the privileges and immunities of the European Union.

CHAPTER VIII

AMENDMENT OF THE STATUTE AND COMPLEMENTARY LEGISLATION

Article 40 (ex Article 41)
Simplified amendment procedure

- 40.1. In accordance with Article 129(3) of the Treaty on the Functioning of the European Union, Articles 5.1, 5.2, 5.3, 17, 18, 19.1, 22, 23, 24, 26, 32.2, 32.3, 32.4, 32.6, 33.1(a) and 36 of this Statute may be amended by the European Parliament and the Council, acting in accordance with the ordinary legislative procedure either on a recommendation from the ECB and after consulting the Commission, or on a proposal from the Commission and after consulting the ECB.
- 40.2. Article 10.2 may be amended by a decision of the European Council, acting unanimously, either on a recommendation from the European Central Bank and after consulting the European Parliament and the Commission, or on a recommendation from the Commission and after consulting the European Parliament and the European Central Bank. These amendments shall not enter into force until they are approved by the Member States in accordance with their respective constitutional requirements.
- 40.3. A recommendation made by the ECB under this Article shall require a unanimous decision by the Governing Council.

Article 41 (ex Article 42)
Complementary legislation

In accordance with Article 129(4) of the Treaty on the Functioning of the European Union, the Council, either on a proposal from the Commission and after consulting the European Parliament and the ECB or on a recommendation from the ECB

and after consulting the European Parliament and the Commission, shall adopt the provisions referred to in Articles 4, 5.4, 19.2, 20, 28.1, 29.2, 30.4 and 34.3 of this Statute.

CHAPTER IX

TRANSITIONAL AND OTHER PROVISIONS FOR THE ESCB

Article 42 (ex Article 43)

General provisions

- 42.1. A derogation as referred to in Article 139 of the Treaty on the Functioning of the European Union shall entail that the following Articles of this Statute shall not confer any rights or impose any obligations on the Member State concerned: 3, 6, 9.2, 12.1, 14.3, 16, 18, 19, 20, 22, 23, 26.2, 27, 30, 31, 32, 33, 34, and 49.
- 42.2. The central banks of Member States with a derogation as specified in Article 139(1) of the Treaty on the Functioning of the European Union shall retain their powers in the field of monetary policy according to national law.
- 42.3. In accordance with Article 139 of the Treaty on the Functioning of the European Union, ‘Member States’ shall be read as ‘Member States whose currency is the euro’ in the following Articles of this Statute: 3, 11.2 and 19.
- 42.4. ‘National central banks’ shall be read as ‘central banks of Member States whose currency is the euro’ in the following Articles of this Statute: 9.2, 10.2, 10.3, 12.1, 16, 17, 18, 22, 23, 27, 30, 31, 32, 33.2 and 49.
- 42.5. ‘Shareholders’ shall be read as ‘central banks of Member States whose currency is the euro’ in Articles 10.3 and 33.1.
- 42.6. ‘Subscribed capital of the ECB’ shall be read as ‘capital of the ECB subscribed by the central banks of Member States whose currency is the euro’ in Articles 10.3 and 30.2.

Article 43 (ex Article 44)
Transitional tasks of the ECB

The ECB shall take over the former tasks of the EMI referred to in Article 141(2) of the Treaty on the Functioning of the European Union which, because of the derogations of one or more Member States, still have to be performed after the introduction of the euro.

The ECB shall give advice in the preparations for the abrogation of the derogations specified in Article 140 of the Treaty on the Functioning of the European Union.

Article 44 (ex Article 45)
The General Council of the ECB

- 44.1. Without prejudice to Article 129(1) of the Treaty on the Functioning of the European Union, the General Council shall be constituted as a third decision-making body of the ECB.
- 44.2. The General Council shall comprise the President and Vice-President of the ECB and the Governors of the national central banks. The other members of the Executive Board may participate, without having the right to vote, in meetings of the General Council.
- 44.3. The responsibilities of the General Council are listed in full in Article 46 of this Statute.

Article 45 (ex Article 46)
Rules of Procedure of the General Council

- 45.1. The President or, in his absence, the Vice-President of the ECB shall chair the General Council of the ECB.
- 45.2. The President of the Council and a Member of the Commission may participate, without having the right to vote, in meetings of the General Council.
- 45.3. The President shall prepare the meetings of the General Council.
- 45.4. By way of derogation from Article 12.3, the General Council shall adopt its Rules of Procedure.

45.5. The Secretariat of the General Council shall be provided by the ECB.

Article 46 (ex Article 47)
Responsibilities of the General Council

46.1. The General Council shall:

- perform the tasks referred to in Article 43;
- contribute to the advisory functions referred to in Articles 4 and 25.1.

46.2. The General Council shall contribute to:

- the collection of statistical information as referred to in Article 5;
- the reporting activities of the ECB as referred to in Article 15;
- the establishment of the necessary rules for the application of Article 26 as referred to in Article 26.4;
- the taking of all other measures necessary for the application of Article 29 as referred to in Article 29.4;
- the laying down of the conditions of employment of the staff of the ECB as referred to in Article 36.

46.3. The General Council shall contribute to the necessary preparations for irrevocably fixing the exchange rates of the currencies of Member States with a derogation against the euro as referred to in Article 140(3) of the Treaty on the Functioning of the European Union.

46.4. The General Council shall be informed by the President of the ECB of decisions of the Governing Council.

Article 47 (ex Article 48)
Transitional provisions for the capital of the ECB

In accordance with Article 29.1, each national central bank shall be assigned a weighting in the key for subscription of the ECB's capital. By way of derogation from Article 28.3, central banks of Member States with a derogation shall not

pay up their subscribed capital unless the General Council, acting by a majority representing at least two thirds of the subscribed capital of the ECB and at least half of the shareholders, decides that a minimal percentage has to be paid up as a contribution to the operational costs of the ECB.

Article 48 (ex Article 49)

Deferred payment of capital, reserves and provisions of the ECB

- 48.1. The central bank of a Member State whose derogation has been abrogated shall pay up its subscribed share of the capital of the ECB to the same extent as the central banks of other Member States whose currency is the euro, and shall transfer to the ECB foreign reserve assets in accordance with Article 30.1. The sum to be transferred shall be determined by multiplying the euro value at current exchange rates of the foreign reserve assets which have already been transferred to the ECB in accordance with Article 30.1, by the ratio between the number of shares subscribed by the national central bank concerned and the number of shares already paid up by the other national central banks.
- 48.2. In addition to the payment to be made in accordance with Article 48.1, the central bank concerned shall contribute to the reserves of the ECB, to those provisions equivalent to reserves, and to the amount still to be appropriated to the reserves and provisions corresponding to the balance of the profit and loss account as at 31 December of the year prior to the abrogation of the derogation. The sum to be contributed shall be determined by multiplying the amount of the reserves, as defined above and as stated in the approved balance sheet of the ECB, by the ratio between the number of shares subscribed by the central bank concerned and the number of shares already paid up by the other central banks.
- 48.3. Upon one or more countries becoming Member States and their respective national central banks becoming part of the ESCB, the subscribed capital of the ECB and the limit on the amount of foreign reserve assets that may be transferred to the ECB shall be automatically increased. The increase shall be determined by multiplying the respective amounts then prevailing by the ratio, within the expanded capital key, between the weighting of the entering national central banks concerned and the weighting of the national central banks already members of the ESCB. Each national central bank's weighting in the capital key shall be calculated by analogy with Article 29.1 and in compliance with Article 29.2. The reference periods

to be used for the statistical data shall be identical to those applied for the latest quinquennial adjustment of the weightings under Article 29.3.

Article 49 (ex Article 52)

Exchange of banknotes in the currencies of the Member States

Following the irrevocable fixing of exchange rates in accordance with Article 140 of the Treaty on the Functioning of the European Union, the Governing Council shall take the necessary measures to ensure that banknotes denominated in currencies with irrevocably fixed exchange rates are exchanged by the national central banks at their respective par values.

Article 50 (ex Article 53)

Applicability of the transitional provisions

If and as long as there are Member States with a derogation, Articles 42 to 47 shall be applicable.

DECISION OF THE EUROPEAN CENTRAL BANK

OF 19 FEBRUARY 2004

ADOPTING THE RULES OF PROCEDURE OF THE EUROPEAN CENTRAL BANK

(ECB/2004/2)

(2004/257/EC)*

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular to Article 12.3 thereof;

HAS DECIDED AS FOLLOWS:

Sole Article

The Rules of Procedure of the European Central Bank as amended on 22 April 1999, as further amended by Decision ECB/1999/6 of 7 October 1999 amending the Rules of Procedure of the European Central Bank¹, shall be replaced by the following which shall enter into force on 1 March 2004.

RULES OF PROCEDURE OF THE EUROPEAN CENTRAL BANK

PRELIMINARY CHAPTER

Article 1

Definitions

- 1.1. These Rules of Procedure shall supplement the Treaty on the Functioning of the European Union and the Statute of the European System of Central Banks and of the European Central Bank. Without prejudice to the provisions in

* OJ L 80, 18.3.2004, p. 33. Decision as amended by Decision ECB/2009/5 (OJ L 100, 18.4.2009, p. 10), Decision ECB/2014/1 (OJ L 95, 29.3.2014, p. 56) and Decision ECB/2015/8 (OJ L 114, 5.5.2015, p. 11) – unofficial consolidated version.

1 OJ L 314, 8.12.1999, p. 32.

Article 1.2, the terms in these Rules of Procedure shall have the same meaning as in the Treaty and the Statute.

- 1.2. The terms ‘participating Member State’, ‘national competent authority’ and ‘national designated authority’ shall have the same meaning as defined in 1, Council Regulation (EU) No 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions².

CHAPTER I

THE GOVERNING COUNCIL

Article 2

Date and place of Governing Council meetings

- 2.1. The Governing Council shall decide on the dates of its meetings on a proposal from the President. The Governing Council shall, in principle, meet regularly following a schedule that it shall determine in good time before the start of each calendar year.
- 2.2. The President shall convene a meeting of the Governing Council if a request for a meeting is submitted by at least three members of the Governing Council.
- 2.3. The President may also convene meetings of the Governing Council whenever he/she deems it necessary.
- 2.4. The Governing Council shall normally hold its meetings on the premises of the ECB.
- 2.5. Meetings may also be held by means of teleconferencing, unless at least three Governors object.

² OJ L 287, 29.10.2013, p. 63.

Article 3
Attendance at Governing Council meetings

- 3.1. Except as provided herein, attendance at meetings of the Governing Council shall be restricted to its members, the President of the Council of the European Union and a member of the Commission of the European Communities.
- 3.2. Each Governor may normally be accompanied by one person.
- 3.3. If a Governor is unable to attend, he/she may appoint, in writing, an alternate without prejudice to Article 4. This written communication shall be sent to the President in due time before the meeting. Such an alternate may normally be accompanied by one person.
- 3.4. The President shall appoint a member of staff of the ECB as Secretary. The Secretary shall assist the Executive Board in preparing the meetings of the Governing Council and shall draft the minutes thereof.
- 3.5. The Governing Council may also invite other persons to attend its meetings if it deems it appropriate to do so.

Article 3a
Rotation system

- 3a.1. Governors shall be allocated to groups as set out in the first and second indents of Article 10.2 of the Statute.
- 3a.2. Governors shall be ordered in each group, following EU convention, in accordance with a list of their national central banks which follows the alphabetical order of the names of the Member States in the national languages. The rotation of voting rights within each group shall follow this order. The rotation shall start at a random point in the list.
- 3a.3. The voting rights within each group shall rotate every month, starting on the first day of the first month of the implementation of the rotation system.
- 3a.4. For the first group, the number of voting rights that rotate in each one month period shall be one; for the second and third groups, the number of voting rights that rotate in each one month period shall be equal to the difference

between the number of governors allocated to the group and the number of voting rights assigned to it, minus two.

- 3a.5. Whenever the composition of the groups is adjusted in accordance with the fifth indent of Article 10.2 of the Statute, the rotation of voting rights within each group shall continue to follow the list referred to in paragraph 2. From the date on which the number of governors reaches 22, the rotation within the third group shall start at a random point in the list. The Governing Council may decide to change the order of rotation for the second and third groups to avoid the situation that certain governors are always without a voting right at the same periods of the year.
- 3a.6. The ECB shall publish in advance a list of the members of the Governing Council with a voting right on the ECB's website.
- 3a.7. The share of each national central bank's Member State in the total aggregated balance sheet of the monetary financial institutions shall be calculated on the basis of the annual average of monthly average data over the most recent calendar year for which data are available. Whenever the aggregate gross domestic product at market prices is adjusted in accordance with Article 29.3 of the Statute or whenever a country becomes a Member State and its national central bank becomes part of the European System of Central Banks, the total aggregated balance sheet of the monetary financial institutions of the Member States which have adopted the euro shall be recalculated on the basis of the data relating to the most recent calendar year for which data are available.

Article 4 *Voting*

- 4.1. In order for the Governing Council to vote, there shall be a quorum of two-thirds of the members with a voting right. If the quorum is not met, the President may convene an extraordinary meeting at which decisions may be taken without regard to the quorum.
- 4.2. The Governing Council shall proceed to vote at the request of the President. The President shall also initiate a voting procedure upon request from any member of the Governing Council.

- 4.3. Abstentions shall not prevent the adoption by the Governing Council of decisions under Article 41.2 of the Statute.
- 4.4. If a member of the Governing Council is prevented from voting for a prolonged period (i.e. more than one month), he/she may appoint an alternate as a member of the Governing Council.
- 4.5. In accordance with Article 10.3 of the Statute, if a Governor is unable to vote on a decision to be taken under Articles 28, 29, 30, 32, 33 and 51 of the Statute, his/her appointed alternate may cast his/her weighted vote.
- 4.6. The President may initiate a secret ballot if requested to do so by at least three members of the Governing Council. If members of the Governing Council are personally affected by a proposal for a decision under Articles 11.1, 11.3 or 11.4 of the Statute, a secret ballot shall be held. In such cases the members of the Governing Council concerned shall not participate in the vote.
- 4.7. Unless specifically provided for in Article 4.8, decisions may also be taken by written procedure, unless at least three members of the Governing Council object. A written procedure shall require: (i) normally not less than five working days for consideration by every member of the Governing Council; (ii) the express or tacit personal approval of each member of the Governing Council (or his/her alternate in accordance with Article 4.4); and (iii) a record of any such decision in the minutes of the subsequent meeting of the Governing Council. Decisions to be taken by written procedure shall be approved by the members of the Governing Council with a voting right at the time of approval.
- 4.8. Within the scope of Articles 13g to 13i, decisions may also be taken by written procedure, unless at least five members of the Governing Council object. A written procedure shall require a maximum of five, or in the case of Article 13h, two working days for consideration by every member of the Governing Council.
- 4.9. For any written procedure, a member of the Governing Council (or their alternate in accordance with Article 4.4) may expressly authorise another person to sign their vote or comment on substance as approved by them in person.

Article 5
Organisation of Governing Council meetings

- 5.1. The Governing Council shall adopt the agenda for each meeting. A provisional agenda shall be drawn up by the Executive Board and shall be sent, together with the related documents, to the members of the Governing Council and other authorised participants at least eight days before the relevant meeting, except in emergencies, in which case the Executive Board shall act appropriately having regard to the circumstances. The Governing Council may decide to remove items from or add items to the provisional agenda on a proposal from the President or from any other member of the Governing Council. An item shall be removed from the agenda at the request of at least three of the members of the Governing Council with a voting right if the related documents were not submitted to the members of the Governing Council in due time.
- 5.2. The minutes of the proceedings of the Governing Council shall be approved at the subsequent meeting (or if necessary earlier by written procedure) by the members of the Governing Council who had a voting right at the meeting to which the minutes refer and shall be signed by the President.
- 5.3. The Governing Council may lay down internal rules on decision-making in emergency situations.

Article 5a
Code of Conduct for the members of the Governing Council

- 5a.1. The Governing Council shall adopt and update a Code of Conduct for the guidance of its members, which shall be published on the ECB's website.
- 5a.2. Each Governor shall ensure that his/her accompanying persons within the meaning of Article 3.2 and his/her alternates within the meaning of Article 3.3 sign a declaration of compliance with the Code of Conduct prior to any participation in the meetings of the Governing Council.

CHAPTER II

THE EXECUTIVE BOARD

Article 6

Date and place of Executive Board meetings

- 6.1. The date of the meetings shall be decided by the Executive Board on a proposal from the President.
- 6.2. The President may also convene meetings of the Executive Board whenever he/she deems it necessary.

Article 7

Voting

- 7.1. In order for the Executive Board to vote, in accordance with Article 11.5 of the Statute, there shall be a quorum of two-thirds of the members. If the quorum is not met, the President may convene an extraordinary meeting at which decisions may be taken without regard to the quorum.
- 7.2. Decisions may also be taken by written procedure, unless at least two members of the Executive Board object.
- 7.3. Members of the Executive Board personally affected by a prospective decision under Articles 11.1, 11.3 or 11.4 of the Statute shall not participate in the vote.

Article 8

Organisation of Executive Board meetings

The Executive Board shall decide on the organisation of its meetings.

CHAPTER III

THE ORGANISATION OF THE EUROPEAN CENTRAL BANK

Article 9

Eurosystem/ESCB committees

- 9.1. The Governing Council shall establish and dissolve committees. They shall assist in the work of the decision-making bodies of the ECB and shall report to the Governing Council via the Executive Board.
- 9.2. In respect of policy issues relating to the prudential supervision of credit institutions, the committees assisting in the work of the ECB regarding the tasks conferred on the ECB by Regulation (EU) No 1024/2013 shall report to the Supervisory Board and, where appropriate, to the Governing Council. In accordance with its own procedures, the Supervisory Board shall mandate the Vice-Chair to report via the Executive Board to the Governing Council on all such activity.
- 9.3. Committees shall be composed of up to two members from each of the Eurosystem NCBs and the ECB, appointed by each Governor and the Executive Board respectively.
- 9.4. When assisting in the work of the ECB's decision-making bodies with the tasks conferred on the ECB by Regulation (EU) No 1024/2013, the committees shall include one member from the central bank and one member from the national competent authority in each participating Member State, appointed by each Governor following consultation with the respective national competent authority where the national competent authority is not a central bank.
- 9.5. The Governing Council shall lay down the mandates of the committees and appoint their chairpersons. As a rule, the chairperson shall be a staff member from the ECB. Both the Governing Council and the Executive Board shall have the right to request studies of specific topics by committees. The ECB shall provide secretarial assistance to the committees.

- 9.6. Each non-Eurosystem national central bank may also appoint up to two staff members to take part in the meetings of a committee whenever it deals with matters falling within the field of competence of the General Council and whenever the chairperson of a committee and the Executive Board deems this participation appropriate.
- 9.7. Representatives of other Union institutions and bodies and any other third party may also be invited to take part in the meetings of a committee whenever the chairperson of a committee and the Executive Board deem this appropriate.

Article 9a

The Governing Council may decide to establish ad hoc committees in charge of specific advisory tasks.

Article 9b
Audit Committee

In order to strengthen the internal and external layers of control already in place and to further enhance the corporate governance of the ECB and the Eurosystem, the Governing Council shall establish an audit committee and lay down its mandate and composition.

Article 10
Internal structure

- 10.1. Having consulted the Governing Council, the Executive Board shall decide upon the number, name and respective competence of each of the work units of the ECB. This decision shall be made public.
- 10.2. All work units of the ECB shall be placed under the managing direction of the Executive Board. The Executive Board shall decide upon the individual responsibilities of its members with respect to the work units of the ECB, and shall inform the Governing Council, the General Council and the staff of the ECB thereof. Any such decision shall be taken only in the presence of all the members of the Executive Board, and may not be taken against the vote of the President.

Article 11
Staff of the ECB

- 11.1. Each member of the staff of the ECB shall be informed of his/her position within the structure of the ECB, his/her reporting line and his/her professional responsibilities.
- 11.2. Without prejudice to Articles 36 and 47 of the Statute, the Executive Board shall enact organisational rules (hereinafter referred to as Administrative Circulars) which are binding on the staff of the ECB.
- 11.3. The Executive Board shall adopt and up-date a Code of Conduct for the guidance of its members and of the members of staff of the ECB, which shall be published on the ECB's website.

CHAPTER IV

**INVOLVEMENT OF THE GENERAL COUNCIL IN THE TASKS OF
THE EUROPEAN SYSTEM OF CENTRAL BANKS**

Article 12
Relationship between the Governing Council and the General Council

- 12.1. The General Council of the ECB shall be given the opportunity to submit observations before the Governing Council adopts:
 - opinions under Articles 4 and 25.1 of the Statute,
 - recommendations in the statistical field, under Article 42 of the Statute,
 - the annual report,
 - the rules on the standardisation of accounting rules and reporting of operations,
 - the measures for the application of Article 29 of the Statute,
 - the conditions of employment of the staff of the ECB,

- in the context of the preparations for the irrevocable fixing of exchange rates, an ECB opinion either under Article 123(5) of the Treaty or concerning Community legal acts to be adopted when a derogation is abrogated.

- 12.2. Whenever the General Council is requested to submit observations under the first paragraph of this Article, it shall be given a reasonable period of time within which to do so, which may not be less than ten working days. In a case of urgency to be justified in the request, the period may be reduced to five working days. The President may decide to use the written procedure.
- 12.3. The President shall inform the General Council, in accordance with Article 47.4 of the Statute, of decisions adopted by the Governing Council.

Article 13

Relationship between the Executive Board and the General Council

- 13.1. The General Council of the ECB shall be given the opportunity to submit observations before the Executive Board:
- implements legal acts of the Governing Council for which, in accordance with Article 12.1 above, the contribution of the General Council is required,
 - adopts, by virtue of powers delegated by the Governing Council in accordance with Article 12.1 of the Statute, legal acts for which, in accordance with Article 12.1 of these Rules, the contribution of the General Council is required.
- 13.2. Whenever the General Council is requested to submit observations under the first paragraph of this Article, it shall be given a reasonable period of time within which to do so, which may not be less than 10 working days. In a case of urgency to be justified in the request, the period may be reduced to five working days. The President may decide to use written procedure.

CHAPTER IVa

SUPERVISORY TASKS

Article 13a

Supervisory Board

Pursuant to Article 26(1) of Regulation (EU) (No) 1024/2013, a Supervisory Board established as an internal body of the ECB shall fully undertake the planning and execution of the tasks conferred on the ECB relating to the prudential supervision of credit institutions (hereinafter ‘supervisory tasks’). Any tasks of the Supervisory Board shall be without prejudice to the competences of the ECB decision-making bodies.

Article 13b

Composition of the Supervisory Board

- 13b.1. The Supervisory Board is composed of a Chair, a Vice-Chair, four representatives of the ECB and one representative of the national competent authority in each participating Member State. All members of the Supervisory Board act in the interest of the Union as a whole.
- 13b.2. Where the national competent authority of a participating Member State is not a central bank, the respective member of the Supervisory Board may bring a representative from the central bank of its Member State. For the purpose of voting, the representatives of one Member State shall be considered as one member.
- 13b.3. After hearing the Supervisory Board, the Governing Council shall adopt the proposal for the appointment of the Chair and the Vice-Chair of the Supervisory Board to be submitted to the European Parliament for approval.
- 13b.4. The terms and conditions of employment of the Chair of the Supervisory Board, in particular his/her salary, pension and other social security benefits, shall be the subject of a contract with the ECB and shall be fixed by the Governing Council.
- 13b.5. The term of office of the Vice-Chair of the Supervisory Board shall be five years and shall not be renewable. It shall not extend beyond the end of his/her mandate as member of the Executive Board.

13b.6. The Governing Council shall appoint the four representatives of the ECB to the Supervisory Board, who shall not perform duties directly related to the monetary policy function, on a proposal by the Executive Board.

Article 13c

Voting pursuant to Article 26(7) of Regulation (EU) No 1024/2013

For the purpose of adopting draft decisions pursuant to Article 26(7) of Regulation (EU) No 1024/2013 and on the basis of Article 16 of the Treaty on European Union, Article 238(3) of the Treaty on the Functioning of the European Union, and Protocol (No 36) on transitional provisions, the following rules shall apply:

- (i) Until 31 October 2014, decisions shall be deemed adopted when at least 50 % of Supervisory Board members representing at least 74 % of the total number of weighted votes and 62 % of the total population, cast a vote in favour.
- (ii) From 1 November 2014, decisions shall be deemed adopted when at least 55 % of the Supervisory Board members representing at least 65 % of the total population, cast a vote in favour. A blocking minority must include at least the minimum number of Supervisory Board members representing 35 % of the total population, plus one member, failing which the qualified majority shall be deemed attained.
- (iii) Between 1 November 2014 and 31 March 2017, upon request of a representative of a national competent authority or upon request of a representative of the ECB in the Supervisory Board, decisions shall be deemed adopted when at least 50 % of Supervisory Board members representing at least 74 % of the total number of weighted votes and 62 % of the total population, cast a vote in favour.
- (iv) Each of the four ECB representatives appointed by the Governing Council shall have a weighting equal to the median weighting of those of the representatives of the national competent authorities of participating Member States, as calculated on the basis of the method laid down in the Annex.
- (v) The votes of the Chair and the Vice-Chair shall be weighted zero and shall count only towards the definition of the majority as far as the number of the members of the Supervisory Board is concerned.

Article 13d
Rules of Procedure of the Supervisory Board

The Supervisory Board shall adopt its Rules of Procedure after having consulted the Governing Council. The Rules of Procedure shall ensure the equal treatment of all participating Member States.

Article 13e
Code of Conduct for the members of the Supervisory Board

- 13e.1. The Supervisory Board shall adopt and update a Code of Conduct for the guidance of its members, which shall be published on the ECB's website.
- 13e.2. Each member shall 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.

Article 13f
Supervisory Board meetings

The Supervisory Board shall normally hold its meetings on the premises of the ECB. The proceedings of the Supervisory Board meetings shall be provided to the Governing Council, as soon as adopted, for information.

Article 13g
Adoption of decisions for the purpose of carrying out the tasks referred to in Article 4 of Regulation (EU) No 1024/2013

- 13g.1. The Supervisory Board shall propose to the Governing Council complete draft decisions for the purpose of carrying out the tasks referred to in Article 4 of Regulation (EU) No 1024/2013 together with explanatory notes outlining the background to and the main reasons underlying the draft decision. Such draft decisions shall be simultaneously transmitted to the national competent authorities of the participating Member States concerned together with information on the deadline given to the Governing Council in line with Article 13g.2.
- 13g.2. A draft decision within the meaning of Article 13g.1 shall be deemed adopted unless the Governing Council objects to it within 10 working

days. In emergency situations a reasonable time period shall be defined by the Supervisory Board and shall not exceed 48 hours. The Governing Council shall state the reasons for any objections in writing. The decision shall be transmitted to the Supervisory Board and to the national competent authorities of the Member States concerned.

- 13g.3. A non-euro area participating Member State shall notify the ECB of any reasoned disagreement with a draft decision of the Supervisory Board within five working days of receiving the draft decision pursuant to Article 13g.1. The ECB President shall transmit the reasoned disagreement to the Governing Council and the Supervisory Board without delay. The Governing Council shall take fully into account the reasons contained in an assessment prepared by the Supervisory Board when deciding on the matter within five working days of the information of the reasoned disagreement. This decision, together with a written explanation, shall be transmitted to the Supervisory Board and to the national competent authority of the Member State concerned.
- 13g.4. A non-euro area participating Member State shall notify the ECB of any reasoned disagreement with a Governing Council objection to a draft decision of the Supervisory Board within five working days of receiving such objection pursuant to Article 13g.2. The ECB President shall transmit the reasoned disagreement to the Governing Council and the Supervisory Board without delay. The Governing Council shall give its opinion on the reasoned disagreement expressed by the Member State within 30 days, and, stating its reasons, shall confirm or withdraw its objection. This decision on the confirmation or withdrawal of its objection shall be transmitted to the national competent authority of the Member State concerned. If the Governing Council withdraws the objection, the draft decision of the Supervisory Board shall be deemed adopted on the date of withdrawal of the objection.

Article 13h

Adoption of decisions for the purpose of carrying out the tasks referred to in Article 5 of Regulation (EU) No 1024/2013

- 13h.1. If a national competent or designated authority notifies the ECB of its intention to apply requirements for capital buffers or any other measures aimed at addressing systemic or macro-prudential risks pursuant to Article 5(1) of Regulation (EU) No 1024/2013, the notification, upon

receipt by the Secretary of the Supervisory Board, shall be transmitted to the Governing Council and the Supervisory Board without delay. Upon a proposal prepared by the Supervisory Board based on the initiative and taking into account the input of the relevant committee and of the relevant internal structure, the Governing Council shall decide about the matter within three working days. Where the Governing Council objects to the notified measure, it shall explain its reasons in writing to the national competent or designated authority concerned within five working days of the notification to the ECB.

- 13h.2. If the Governing Council, upon a proposal prepared by the Supervisory Board based on the initiative and taking into account the input of the relevant committee and of the relevant internal structure, intends to apply higher requirements for capital buffers or to apply more stringent measures aimed at addressing systemic or macro-prudential risks pursuant to Article 5(2) of Regulation (EU) No 1024/2013, such intention shall be notified to the concerned national competent or designated authority at least ten working days prior to taking such a decision. If the concerned national competent or designated authority notifies the ECB in writing of its reasoned objection within five working days of the receipt of the notification, this objection, upon receipt by the Secretary of the Supervisory Board, shall be transmitted to the Governing Council and the Supervisory Board without delay. The Governing Council shall decide on the matter on the basis of a proposal prepared by the Supervisory Board based on the initiative and taking into account the input of the relevant committee and of the relevant internal structure. This decision shall be transmitted to the national competent or designated authority concerned.
- 13h.3. The Governing Council shall have the right to endorse, object to or amend proposals of the Supervisory Board within the meaning of Article 13h.1 and Article 13h.2. The Governing Council shall also have the right to request the Supervisory Board to submit a proposal within the meaning of Article 13h.1 and Article 13h.2 or to undertake specific analysis. If the Supervisory Board submits no proposals addressing such requests, the Governing Council, taking into account the input of the relevant committee and of the relevant internal structure, may take a decision in the absence of a proposal from the Supervisory Board.

Article 13i
***Adoption of decisions pursuant to Article 14(2)
to (4) of Regulation (EU) No 1024/2013***

If a national competent authority notifies the ECB of its draft decision pursuant to Article 14(2) of Regulation (EU) No 1024/2013, the Supervisory Board shall transmit the draft decision, together with its assessment, within five working days to the Governing Council. The draft decision shall be deemed adopted unless the Governing Council objects within 10 working days of the notification to the ECB, extendable once for the same period in duly justified cases.

Article 13j
General framework referred to in Article 6(7) of Regulation (EU) No 1024/2013

The Governing Council shall adopt decisions establishing the general framework to organise the practical arrangements for the implementation of Article 6 of Regulation (EU) No 1024/2013, in consultation with national competent authorities and on the basis of a proposal from the Supervisory Board outside the scope of the non-objection procedure.

Article 13k
Separation of monetary policy and supervisory tasks

- 13k.1. The ECB shall carry out the tasks conferred on it by Regulation (EU) No 1024/2013 without prejudice to and separately from its tasks relating to monetary policy and from any other tasks.
- 13k.2. The ECB shall take all necessary measures to ensure separation between the monetary policy and the supervisory functions.
- 13k.3. The separation of monetary policy and the supervisory function shall not exclude the exchange between these two functional areas of the information necessary for the achievement of ECB and ESCB tasks.

Article 13l
Organisation of Governing Council meetings regarding the supervisory tasks

- 13l.1. The Governing Council meetings regarding the supervisory tasks shall take place separately from regular Governing Council meetings and shall have separate agendas.

- 131.2. On a proposal from the Supervisory Board, the Executive Board shall draw up a provisional agenda and send it, together with the relevant documents prepared by the Supervisory Board, to the members of the Governing Council and other authorised participants at least eight days before the relevant meeting. This shall not apply to emergencies, in which the Executive Board shall act appropriately having regard to the circumstances.
- 131.3. The Governing Council of the ECB shall consult with the Governors of the non-Eurosystem NCBs of the participating Member States before objecting to any draft decision prepared by the Supervisory Board that is addressed to the national competent authorities in respect of credit institutions established in non-euro area participating Member States. The same shall apply where the concerned national competent authorities inform the Governing Council of their reasoned disagreement with such a draft decision of the Supervisory Board.
- 131.4. Unless otherwise provided for in this Chapter, the general provisions of Governing Council meetings laid down in Chapter I shall also apply to Governing Council meetings regarding the supervisory tasks.

Article 13m

Internal structure regarding the supervisory tasks

- 13m.1. The competence of the Executive Board in respect of the ECB's internal structure and the staff of the ECB shall encompass the supervisory tasks. The Executive Board shall consult the Chair and the Vice Chair of the Supervisory Board on such internal structure. Articles 10 and 11 shall apply accordingly.
- 13m.2. The Supervisory Board, in agreement with the Executive Board, may establish and dissolve substructures of a temporary nature, such as working groups or task forces. They shall assist in the work regarding the supervisory tasks and report to the Supervisory Board.
- 13m.3. The President of the ECB, after having consulted the Chair of the Supervisory Board, shall appoint a member of the staff of the ECB as Secretary of the Supervisory Board and the Steering Committee. The Secretary shall assist the Chair or, in his/her absence, the Vice-Chair in preparing the Supervisory Board meetings and shall be responsible for drafting the proceedings of these meetings.

13m.4. The Secretary shall liaise with the Secretary of the Governing Council for preparing the meetings of the Governing Council regarding supervisory tasks and shall be responsible for drafting the proceedings of these meetings.

Article 13n

Report under Article 20(2) of Regulation (EU) No 1024/2013

Upon a proposal from the Supervisory Board submitted by the Executive Board, the Governing Council shall adopt the annual reports addressed to the European Parliament, the Council, the Commission and the Eurogroup as required under Article 20(2) of Regulation (EU) No 1024/2013.

Article 13o

Representatives of the ECB at the European Banking Authority

13o.1. On a proposal by the Supervisory Board, the President of the ECB shall appoint or recall the ECB's representative to the Board of Supervisors of the European Banking Authority as provided for by Article 40(1) (d) of Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC³.

13o.2. The President shall nominate the accompanying second representative with expertise on central banking tasks to the Board of Supervisors of the European Banking Authority.

CHAPTER V

SPECIFIC PROCEDURAL PROVISIONS

Article 14

Delegation of powers

14.1. The delegation of powers of the Governing Council to the Executive Board under the last sentence of the second paragraph of Article 12.1 of the Statute shall be notified to the parties concerned, or published if appropriate, where

³ OJ L 331, 15.12.2010, p. 12.

decisions taken by means of delegation have legal effects on third parties. The Governing Council shall be promptly informed of any act adopted by way of delegation.

- 14.2. The Book of Authorised Signatories of the ECB, established pursuant to decisions adopted under Article 39 of the Statute, shall be circulated to interested parties.

Article 15
Budgetary procedure

- 15.1. Before the end of each financial year the Governing Council, acting upon a proposal from the Executive Board in accordance with any principles laid down by the former, shall adopt the budget of the ECB for the subsequent financial year. The expenditure for the supervisory tasks shall be separately identifiable within the budget and shall be consulted with the Chair and the Vice Chair of the Supervisory Board.
- 15.2. For assistance in matters related to the budget of the ECB, the Governing Council shall establish a Budget Committee and lay down its mandate and composition.

Article 16
Reporting and annual accounts

- 16.1. The Governing Council shall adopt the annual report required under Article 15.3 of the Statute.
- 16.2. The competence to adopt and publish the quarterly reports under Article 15.1 of the Statute, the weekly consolidated financial statements under Article 15.2 of the Statute, the consolidated balance sheets under Article 26.3 of the Statute and other reports shall be delegated to the Executive Board.
- 16.3. The Executive Board shall, in accordance with the principles established by the Governing Council, prepare the annual accounts of the ECB within the first month of the subsequent financial year. These shall be submitted to the external auditor.

- 16.4. The Governing Council shall adopt the annual accounts of the ECB within the first quarter of the subsequent year. The external auditor's report shall be submitted to the Governing Council before their adoption.

Article 17

Legal instruments of the ECB

- 17.1. ECB Regulations shall be adopted by the Governing Council and signed on its behalf by the President.
- 17.2. ECB Guidelines shall be adopted by the Governing Council, and thereafter notified, in one of the official languages of the European Communities, and signed on the Governing Council's behalf by the President. They shall state the reasons on which they are based. Notification of the national central banks may take place by means of telefax, electronic mail or telex or in paper form. Any ECB Guideline that is to be officially published shall be translated into the official languages of the European Communities.
- 17.3. The Governing Council may delegate its normative powers to the Executive Board for the purpose of implementing its regulations and guidelines. The regulation or guideline concerned shall specify the issues to be implemented as well as the limits and scope of the delegated powers.
- 17.4. ECB Decisions and Recommendations shall be adopted by the Governing Council or the Executive Board in their respective domain of competence, and shall be signed by the President. ECB Decisions imposing sanctions on third parties shall be signed by the President, the Vice-President or any two other members of the Executive Board. ECB Decisions and Recommendations shall state the reasons on which they are based. The Recommendations for secondary Community legislation under Article 42 of the Statute shall be adopted by the Governing Council.
- 17.5. Without prejudice to the second paragraph of Article 43 and the first indent of Article 46.1 of the Statute, ECB Opinions shall be adopted by the Governing Council. However, in exceptional circumstances and unless not less than three Governors state their wish to retain the competence of the Governing Council for the adoption of specific opinions, ECB Opinions may be adopted by the Executive Board, in line with comments provided by the Governing Council and taking into account the contribution of the General Council. The Executive Board shall be competent to finalise ECB

Opinions on very technical matters and to incorporate factual changes or corrections. ECB Opinions shall be signed by the President. For ECB Opinions to be adopted in relation to the prudential supervision of credit institutions, the Governing Council may consult the Supervisory Board.

- 17.6. ECB Instructions shall be adopted by the Executive Board, and thereafter notified, in one of the official languages of the European Communities, and signed on the Executive Board's behalf by the President or any two Executive Board members. Notification of the national central banks may take place by means of telefax, electronic mail or telex or in paper form. Any ECB Instruction that is to be officially published shall be translated into the official languages of the European Communities.
- 17.7. All ECB legal instruments shall be numbered sequentially for ease of identification. The Executive Board shall take steps to ensure the safe custody of the originals, the notification of the addressees or consulting authorities, and the publication in all the official languages of the European Union in the *Official Journal of the European Union* in the case of ECB Regulations, ECB opinions on draft Community legislation and those ECB legal instruments whose publication has been expressly decided.
- 17.8. Regulation No 1 determining the languages to be used by the European Economic Community⁴ shall apply to the legal acts specified in Article 34 of the Statute.

Article 17a

Legal instruments of the ECB related to supervisory tasks

- 17a.1. Unless otherwise provided for in regulations adopted by the ECB pursuant to Regulation (EU) No 1024/2013 and in this Article, Article 17 shall apply to the legal instruments of the ECB related to supervisory tasks.
- 17a.2. ECB guidelines related to supervisory tasks pursuant to Article 4(3) and Article 6(5)(a) of Regulation (EU) No 1024/2013 shall be adopted by the Governing Council, and thereafter notified and signed on behalf of the Governing Council by the President. Notification of the national competent authorities may take place by means of telefax, electronic mail or telex or in paper form.

⁴ OJ 17, 6.10.1958, p. 385.

- 17a.3. ECB instructions related to supervisory tasks pursuant to Article 6(3), Article 6(5)(a) and Articles 7(1), 7(4), 9(1) and 30(5) of Regulation (EU) No 1024/2013 shall be adopted by the Governing Council, and thereafter notified and signed on behalf of the Governing Council by the President. They shall state the reasons on which they are based. Notification of the national authorities competent for the supervision of credit institutions may take place by means of telefax, electronic mail or telex or in paper form.
- 17a.4. ECB decisions with regard to supervised entities and entities which have applied for authorisation to take up the business of a credit institution shall be adopted by the Governing Council and signed on its behalf by the President. They shall be thereafter notified to the persons to whom they are addressed.

Article 18

Procedure under Article 128(2) of the Treaty

The approval provided for in Article 128(2) of the Treaty shall be adopted for the following year by the Governing Council in a single decision for all Member States whose currency is the euro within the final quarter of every year.

Article 19

Procurement

- 19.1. Procurement of goods and services for the ECB shall give due regard to the principles of publicity, transparency, equal access, non-discrimination and efficient administration.
- 19.2. Except for the principle of efficient administration, derogations may be made from the above principles in cases of urgency; for reasons of security or secrecy; where there is a sole supplier; for supplies from the national central banks to the ECB; to ensure the continuity of a supplier.

Article 20

(deleted)

Article 21
Conditions of Employment

- 21.1. The Conditions of Employment and the Staff Rules shall determine the employment relationship between the ECB and its staff.
- 21.2. The Governing Council, upon a proposal from the Executive Board and following consultation of the General Council shall adopt the Conditions of Employment.
- 21.3. The Executive Board shall adopt the Staff Rules, that shall implement the Conditions of Employment.
- 21.4. The Staff Committee shall be consulted before the adoption of new Conditions of Employment or Staff Rules. Its opinion shall be submitted to the Governing Council or the Executive Board respectively.

Article 22
Communications and announcements

General communications and announcements of decisions taken by the decision-making bodies of the ECB may be published on the ECB website, in the *Official Journal of the European Union*, or by means of wire services common to financial markets or any other media.

Article 23
Confidentiality of and access to ECB documents

- 23.1. The proceedings of the decision-making bodies of the ECB, or any committee or group established by them, of the Supervisory Board, its Steering Committee and of any its substructures of a temporary nature shall be confidential unless the Governing Council authorises the President to make the outcome of their deliberations public. The President shall consult the Chair of the Supervisory Board prior to making any such decision in relation to the proceedings of the Supervisory Board, its Steering Committee and of any its substructures of a temporary nature.
- 23.2. Public access to documents drawn up or held by the ECB shall be governed by a decision of the Governing Council.

23.3. Documents drawn up or held by the ECB shall be classified and handled in accordance with the organisational rules regarding professional secrecy and management and confidentiality of information. They shall be freely accessible after a period of 30 years unless decided otherwise by the decision making bodies.

Article 23a

Confidentiality and professional secrecy regarding the supervisory tasks

23a.1. Members of the Supervisory Board, of the Steering Committee and of any substructures established by the Supervisory Board shall be subject to the professional secrecy requirements laid down in Article 37 of the Statute even after their duties have ceased.

23a.2. Observers shall not have access to confidential information relating to individual institutions.

23a.3. Documents drawn up by the Supervisory Board, the Steering Committee and any substructures of a temporary nature established by the Supervisory Board shall be ECB documents and shall therefore be classified and handled in accordance with Article 23.3.

CHAPTER VI

FINAL PROVISION

Article 24

Amendments to these Rules of Procedure

The Governing Council may amend these Rules of Procedure. The General Council may propose amendments and the Executive Board may adopt supplementary rules within its field of competence.

ANNEX

(as referred to in Article 13c(iv))

1. For the purposes of the voting pursuant to Article 13c, the four ECB representatives must be assigned as defined in the following paragraphs, the median weighted votes of the participating Member States under the weighted votes criterion, the median population of the participating Member States under the population criterion and, by virtue of their membership in the Supervisory Board, a vote under the number of members criterion.
2. Ranking, in ascending order, the weighted votes assigned to the participating Member States by Article 3 of the Protocol (No 36) on transitional provisions for the members representing the participating Member States, the median weighted vote is defined as the middle weighted vote if there is an odd number of participating Member States, and as the average of the two middle numbers, rounded up to the nearest whole number, if their number is even. Four times the median weighted vote must be added to the overall number of weighted votes of the participating Member States. The resulting number of weighted votes shall constitute the ‘total number of weighted votes’.
3. The median population is defined in accordance with the same principle. For this purpose, recourse will be made to the figures published by the Council of the European Union as per Annex III, Article 1 and 2 of Council Decision 2009/937/EU of 1 December 2009 adopting the Council’s Rules of Procedure⁵. Four times the median population of the participating Member States must be added to the combined population in all participating Member States. The resulting population number shall constitute ‘the total population’.

⁵ OJ L 325, 11.12.2009, p. 35.

DECISION OF THE EUROPEAN CENTRAL BANK

OF 12 OCTOBER 1999

CONCERNING THE RULES OF PROCEDURE OF THE EXECUTIVE BOARD OF THE EUROPEAN CENTRAL BANK

(ECB/1999/7)

(1999/811/EC)*

THE EXECUTIVE BOARD OF THE EUROPEAN CENTRAL BANK,

Having regard to the Rules of Procedure of the European Central Bank and in particular to Articles 8 and 24 thereof;

Whereas, with a view to ensuring that ECB Decisions can be adopted by the Executive Board at any time, it is necessary to establish a regime for the adoption of Decisions by means of teleconferencing and a regime for the delegation of powers, both of which preserve the principle of the collective responsibility of the Executive Board,

HAS DECIDED AS FOLLOWS:

Article 1

Supplementary nature

This Decision shall supplement the Rules of Procedure of the European Central Bank. The terms in this Decision shall have the meaning which they have in the Rules of Procedure of the European Central Bank.

Article 2

Attendance at Executive Board meetings

1. The President shall appoint a member of the staff of the European Central Bank (ECB) as Secretary. The Secretary shall be responsible for organising and drafting the summary proceedings of all Executive Board meetings.

* OJ L 314, 8.12.1999, p. 34.

2. In the absence of both the President and the Vice-President, the Executive Board will be chaired by the most senior member of the Executive Board in terms of office in the first instance, and by age in the event of two or more members having equal standing in terms of office.
3. The Executive Board may invite members of the staff of the ECB to attend its meetings.

Article 3
Agenda and proceedings

1. The agenda for each meeting shall be adopted by the Executive Board. A provisional agenda shall be drawn up by the President and shall, in principle, be sent, together with the related documents, to the members of the Executive Board at least two working days before the relevant meeting, except in emergencies, in which case the President shall act appropriately in view of the circumstances.
2. The summary proceedings of Executive Board meetings shall be submitted to the members of the Executive Board for approval at their next meeting (or earlier, if necessary, by written procedure) and shall be signed by the chairman.

Article 4
Teleconference

1. At the request of the President, decisions may be taken by the Executive Board by means of teleconferencing, unless at least two members of the Executive Board object. Special circumstances shall be required for a decision to be taken by means of teleconferencing. The President shall determine the nature of these circumstances and the members of the Executive Board may require prior notice both of the teleconference and of the issue on which a decision is to be taken.
2. The decision reached by the President on the special circumstances and the decisions taken by the Executive Board by means of teleconferencing shall be recorded in the summary proceedings of the Executive Board meetings.

Article 5
Delegation of power

1. The Executive Board may authorise one or more of its members to take, on its behalf and under its responsibility, clearly defined management or administrative measures, including the use of instruments in preparation for a decision to be taken collectively by the members of the Executive Board at a later point in time and instruments implementing final decisions taken by the Executive Board.
2. The Executive Board may also ask one or more of its members, with the agreement of the President, to adopt (i) the definitive text of any instrument as defined in Article 5(1), on condition that the substance of such instrument has already been determined in discussion, and/or (ii) final decisions, where such delegation involves limited and clearly defined executive powers, the exercise of which is subject to strict review in the light of objective criteria established by the Executive Board.
3. The delegations and decisions adopted in accordance with Article 5(1) and (2), shall be recorded in the summary proceedings of the Executive Board meetings.
4. Powers conferred in this manner may be sub-delegated only as and when there is a specific provision to this end in the enabling decision.

Article 6
Publication

This Decision shall be published in the *Official Journal of the European Communities*¹.

Done at Frankfurt am Main on 12 October 1999.

The President of the ECB
Willem F. Duisenberg

1 Now the *Official Journal of the European Union*.

DECISION OF THE EUROPEAN CENTRAL BANK

OF 17 JUNE 2004

ADOPTING THE RULES OF PROCEDURE OF THE GENERAL COUNCIL OF THE EUROPEAN CENTRAL BANK

(ECB/2004/12)*

THE GENERAL COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular to Article 46.4¹ thereof,

HAS DECIDED AS FOLLOWS:

Sole Article

The Rules of Procedure of the General Council of the European Central Bank of 1 September 1998 shall be replaced by the following, which shall enter into force on 1 July 2004.

RULES OF PROCEDURE OF THE GENERAL COUNCIL OF THE EUROPEAN CENTRAL BANK PRELIMINARY CHAPTER

Article 1

Definitions

These Rules of Procedure shall supplement the Treaty establishing the European Community² and the Statute of the European System of Central Banks and of the European Central Bank. The terms in these Rules of Procedure shall have the same meaning as in the Treaty and the Statute.

* OJ L 230, 30.6.2004, p. 61.

1 Now Article 45.4 of the Statute.

2 Now the TFEU.

CHAPTER I

THE GENERAL COUNCIL

Article 2

Date and place of General Council meetings

1. The General Council shall decide on the dates of its meetings on a proposal from the President.
2. The President shall convene a meeting of the General Council if a request for a meeting is submitted by at least three members of the General Council.
3. The President may also convene meetings of the General Council whenever he/she deems it necessary.
4. The General Council shall normally hold its meetings on the premises of the European Central Bank (ECB).
5. Meetings may also be held by means of teleconferencing unless at least three Governors object.

Article 3

Attendance at General Council meetings

1. Except as provided herein, attendance at meetings of the General Council shall be restricted to its members, the other members of the Executive Board, the President of the Council of the European Union and a member of the Commission of the European Communities³.
2. Each Governor may normally be accompanied by one person.
3. If a member of the General Council is unable to attend a meeting, he/she may appoint, in writing, an alternate to attend the meeting and vote on his/her behalf. This written communication shall be sent to the President in due time before the meeting. Such an alternate may normally be accompanied by one person.

³ Now the European Commission.

4. The President shall appoint a member of staff of the ECB as Secretary. The Secretary shall assist the President in preparing the meetings of the General Council and shall draft the minutes thereof.
5. The General Council may also invite other persons to attend its meetings, if it deems it appropriate to do so.

Article 4
Voting

1. In order for the General Council to vote, there shall be a quorum of two thirds of the members or their alternates. If the quorum is not met, the President may convene an extraordinary meeting at which decisions may be taken without regard to the quorum.
2. Unless stated otherwise in the Statute, decisions shall be taken by simple majority.
3. The General Council shall proceed to vote at the request of the President. The President shall also initiate a voting procedure upon request from any member of the General Council.
4. Decisions may also be taken by written procedure, unless at least three members of the General Council object. A written procedure shall require:
 - (i) normally not less than ten working days for consideration by every member of the General Council. In a case of urgency to be justified in the request, the period may be reduced to five working days; and
 - (ii) the personal signature of each member of the General Council; and
 - (iii) a record of any such decision in the minutes of the subsequent meeting of the General Council.

Article 5
Organisation of General Council meetings

1. The General Council shall adopt the agenda for each meeting. A provisional agenda shall be drawn up by the President and shall be sent, together with the related documents to the members of the General Council and other

authorised participants at least eight days before the meeting, except in emergencies, in which case the President shall act appropriately having regard to the circumstances. The General Council may decide to remove items from or add items to the provisional agenda on a proposal from the President or from any other member of the General Council. An item shall be removed from the agenda at the request of at least three of the members of the General Council if the related documents were not submitted to the members of the General Council in due time.

2. The minutes of the proceedings of the General Council shall be submitted to its members for approval at the subsequent meeting (or where necessary earlier by written procedure) and shall be signed by the President.

CHAPTER II

INVOLVEMENT OF THE GENERAL COUNCIL IN THE TASKS OF THE EUROPEAN SYSTEM OF CENTRAL BANKS

Article 6

Relationship between the General Council and the Governing Council

1. Without prejudice to the General Council's other responsibilities, including those under Article 44⁴ of the Statute, the General Council shall contribute, in particular, to the tasks listed in Article 6.2 to 6.8.
2. The General Council shall contribute to the ECB's advisory tasks under Article 4 and Article 25.1 of the Statute.
3. The contribution of the General Council to the ECB's statistical tasks shall consist in:
 - strengthening the cooperation between all the national central banks of the European Union with a view to supporting the ECB's tasks in the field of statistics,
 - contributing to the harmonisation, where necessary, of the rules and practices governing the collection, compilation and distribution of statistics by all the national central banks of the European Union, and

4 Now Article 43 of the Statute.

- providing the Governing Council with observations on draft recommendations in the statistical field, under Article 42⁵ of the Statute, prior to their adoption.
4. The General Council shall contribute to fulfilling the ECB’s reporting commitments under Article 15 of the Statute by providing the Governing Council with observations on the annual report prior to its adoption.
 5. The General Council shall contribute to the standardisation of accounting rules and reporting of operations under Article 26.4 of the Statute by providing the Governing Council with observations on the draft rules prior to their adoption.
 6. The General Council shall contribute to the adoption of other measures in the context of Article 29.4 of the Statute by providing the Governing Council with observations on such draft measures prior to their adoption.
 7. The General Council shall contribute to the Conditions of Employment for the staff of the European Central Bank by providing the Governing Council with observations on the draft prior to its adoption.
 8. The General Council shall contribute to the preparations for the irrevocable fixing of exchange rates under Article 47.3⁶ of the Statute by providing the Governing Council with observations on:
 - draft ECB opinions under Article 123(5)⁷ of the Treaty, and
 - on any other draft ECB opinions concerning Community⁸ legal acts to be adopted when a derogation is abrogated, and
 - on decisions under paragraph 10 of the Protocol on certain provisions relating to the United Kingdom of Great Britain and Northern Ireland⁹.
 9. Whenever the General Council is requested to contribute to the tasks of the ECB under the above paragraphs, it shall be given a reasonable period

5 Now Article 41 of the Statute.

6 Now Article 46.3 of the Statute.

7 Now Article 140(3) of the TFEU.

8 Now ‘Union’.

9 Now Protocol No 15 to the Treaties.

of time within which to do so, which may not be less than 10 working days. In a case of urgency to be justified in the request, the period may be reduced to five working days. The President may decide to use the written procedure.

10. The President shall inform the General Council, in accordance with Article 47.4¹⁰ of the Statute, of decisions adopted by the Governing Council.

Article 7

Relationship between the General Council and the Executive Board

1. The General Council of the ECB shall be given the opportunity to submit observations before the Executive Board:
 - implements legal acts of the Governing Council for which, in accordance with Article 12.1 of the Rules of Procedure of the European Central Bank, the contribution of the General Council is required,
 - adopts, by virtue of powers delegated by the Governing Council in accordance with Article 12.1 of the Statute, legal acts for which, in accordance with Article 12.1 of the Rules of Procedure of the European Central Bank, the contribution of the General Council is required.
2. Whenever the General Council is requested to submit observations under the first paragraph of this Article, it shall be given a reasonable period of time within which to do so, which may not be less than ten working days. In a case of urgency to be justified in the request, the period may be reduced to five working days. The President may decide to use written procedure.

Article 8

European System of Central Banks Committees

1. Within its field of competence the General Council may request studies of specific topics by committees established by the Governing Council under Article 9 of the Rules of Procedure of the European Central Bank.

10 Now Article 46.4 of the Statute.

2. The national central bank of each non-participating Member State may appoint up to two staff members to take part in the meetings of a committee whenever it deals with matters falling within the field of competence of the General Council and whenever the chairperson of a committee and the Executive Board deem this appropriate.

CHAPTER III

SPECIFIC PROCEDURAL PROVISIONS

Article 9

Legal instruments

1. ECB Decisions under Article 46.4¹¹ and Article 48¹² of the Statute and under these Rules of Procedure, as well as ECB Recommendations and ECB Opinions adopted by the General Council under Article 44¹³ of the Statute, shall be signed by the President.
2. All ECB legal instruments are numbered, notified and published in accordance with Article 17.7 of the Rules of Procedure of the European Central Bank.

Article 10

Confidentiality of and access to the ECB's documents

1. The proceedings of the General Council, and of any committee or group dealing with matters falling within its competence, shall be confidential unless the General Council authorises the President to make the outcome of their deliberations public.
2. Public access to documents drawn up by the General Council, and by any committee or group dealing with matters falling within its competence, shall be governed by a Governing Council decision adopted under Article 23.2 of the Rules of Procedure of the European Central Bank.

11 Now Article 45.4 of the Statute.

12 Now Article 47 of the Statute.

13 Now Article 43 of the Statute.

3. Documents drawn up by the General Council, and by any committee or group dealing with matters falling within its competence, shall be classified and handled in accordance with the rules laid down in the Administrative Circular adopted under Article 23.3 of the Rules of Procedure of the European Central Bank. They shall be freely accessible after a period of 30 years unless decided otherwise by the decision-making bodies.

Article 11
End of applicability

When, in accordance with Article 122(2)¹⁴ of the Treaty, all derogations are abrogated by the Council of the European Union and when the decisions provided for in the Protocol on certain provisions relating to the United Kingdom of Great Britain and Northern Ireland are taken, the General Council shall be dissolved and these Rules of Procedure shall no longer apply.

Done at Frankfurt am Main, 17 June 2004.

The President of the ECB
Jean-Claude TRICHET

14 Now the first subparagraph of Article 140(2) of the TFEU. The first sentence of Article 122(2) of the Treaty was repealed.

DECISION OF THE EUROPEAN CENTRAL BANK

OF 17 DECEMBER 2014

CONCERNING THE ESTABLISHMENT OF AN ETHICS COMMITTEE AND ITS RULES OF PROCEDURE

(ECB/2014/59)

((EU)2015/433)*

THE GOVERNING COUNCIL 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 Bank¹, and in particular Article 9a thereof,

Whereas:

- (1) Through the establishment of an Ethics Committee of the European Central Bank (hereinafter the ‘Ethics Committee’), the Governing Council aims to strengthen the ethics rules in place and further enhance the corporate governance of the European Central Bank (ECB), the European System of Central Banks (ESCB), the Eurosystem and the Single Supervisory Mechanism (SSM).
- (2) Public awareness of corporate governance issues and of ethics rules has increased over recent years. Following the establishment of the SSM, governance issues have acquired increased significance for the ECB. The increased level of public awareness and scrutiny requires the ECB to have in place, and strictly adhere to, state-of-the-art ethics rules in order to safeguard the ECB’s integrity and avoid reputational risks.
- (3) The ethics rules for members of the bodies involved in the ECB’s decision-making processes (hereinafter the ‘addressees’) should be based on the same principles that apply to ECB staff members and should be proportionate to the addressees’ respective responsibilities. Therefore, the various rules constituting the ECB ethics framework, i.e. the Code of Conduct for the members of

* OJ L 70, 14.3.2015, p. 58.

¹ OJ L 80, 18.3.2004, p. 33.

the Governing Council², the Supplementary Code of Ethics Criteria for the members of the Executive Board³, the Code of Conduct for the members of the Supervisory Board and the ECB Staff Rules, should be interpreted in a coherent manner.

- (4) The ethics rules need to be supported by well-functioning monitoring, reporting mechanisms and procedures to achieve adequate and consistent implementation in which the Ethics Committee will play a key role.
- (5) In order to ensure effective interoperation between those aspects of the ethics rules that principally relate to operational implementation and those that principally relate to institutional and framework related issues, at least one of the members of the ECB's Audit Committee (hereinafter the 'Audit Committee') should also be a member of the Ethics Committee.
- (6) The Ethics Committee should include an external member of the Audit Committee. External members of the Audit Committee are chosen from among high-ranking officials with experience in central banking,

HAS ADOPTED THIS DECISION:

Article 1
Establishment and composition

1. An Ethics Committee is hereby established.
2. The Ethics Committee shall be composed of three external members, at least one of whom shall be an external member of the Audit Committee.
3. The members of the Ethics Committee shall be individuals of high repute from Member States, whose independence is beyond doubt and who have a sound understanding of the objectives, tasks and governance of the ECB, the ESCB, the Eurosystem and the SSM. They shall not be current staff of the ECB or current members of bodies involved in the decision-making processes

² OJ C 123, 24.5.2002, p. 9.

³ OJ C 104, 23.4.2010, p. 8.

of the ECB, the national central banks or the national competent authorities as defined in Council Regulation (EU) No 1024/2013⁴.

Article 2

Appointment of members

1. The Governing Council shall appoint the members of the Ethics Committee.
2. The Ethics Committee shall designate its Chair.
3. The term of office of the members of the Ethics Committee shall be three years, renewable once. The mandates of the Ethics Committee members who are also members of the Audit Committee shall expire if they cease to be members of the Audit Committee.
4. The members of the Ethics Committee 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 interest. They are expected to be mindful of the importance of their duties and responsibilities. The members of the Ethics Committee shall abstain from any deliberation in cases of perceived or potential personal conflict of interest. They shall be subject to the professional secrecy requirements laid down in Article 37 of the Statute of the European System of Central Banks and of the European Central Bank even after their duties have ceased.
5. The members of the Ethics Committee shall be entitled to receive remuneration comprising an annual retention fee together with payment for actual work performed based on an hourly rate. The amount of such remuneration shall be fixed by the Governing Council.

Article 3

Functioning

4 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).

1. The Ethics Committee shall decide on the dates of its meetings on a proposal from the Chair. The Chair may also convene meetings of the Ethics Committee whenever he or she deems it necessary.
2. At the request of any of its members, and in agreement with the Chair, meetings may also be held by means of teleconferencing and deliberations may take place by means of written procedure.
3. Members of the Ethics Committee are expected to attend each meeting in person. Attendance at meetings shall be restricted to its members and its secretary. However, the Ethics Committee may invite other persons to attend its meetings if it deems it appropriate to do so.
4. The Executive Board shall entrust a member of staff to perform the secretarial function of the Ethics Committee.
5. The Ethics Committee shall have access to members of management and staff as well as to documents and information it requires in order to fulfil its responsibilities.

Article 4
Responsibilities

1. Where explicitly provided for in legal acts adopted by the ECB or in ethics rules adopted by the bodies involved in its decision-making processes, the Ethics Committee shall provide advice on questions of ethics on the basis of individual requests.
2. The Ethics Committee shall assume the responsibilities assigned to the Ethics Adviser appointed under the Code of Conduct for the members of the Governing Council and the responsibilities assigned to the ECB's Ethics Officer under the Supplementary Code of Ethics Criteria for the members of the Executive Board.
3. In order to assist the Audit Committee to carry out its assessment of the overall adequacy of the compliance framework of the ECB, the ESCB, the Eurosystem and the SSM, and of the effectiveness of the processes for monitoring compliance, the Ethics Committee shall report to the Audit Committee on the advice it has provided and the extent to which this advice has been implemented.

4. The Ethics Committee shall report annually to the Governing Council on the work it has undertaken. In addition, the Ethics Committee shall report to the Governing Council whenever it deems it appropriate and/or is required to discharge its responsibilities.
5. In addition to the responsibilities set out in this Article, the Ethics Committee may perform other activities related to this mandate, if so requested by the Governing Council.

Article 5

Information about the implementation of the advice

The addressees of the Ethics Committee's advice shall inform the Ethics Committee about the implementation of the Ethics Committee's advice.

Article 6

Entry into force

This Decision shall enter into force on the day following its publication in the *Official Journal of the European Union*.

Done at Frankfurt am Main, 17 December 2014.

The President of the ECB

Mario DRAGHI

RULES OF PROCEDURE OF THE SUPERVISORY BOARD OF THE EUROPEAN CENTRAL BANK*

THE SUPERVISORY BOARD OF THE EUROPEAN CENTRAL BANK,

Having regard to 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 institutions¹, and in particular Article 26(12) thereof,

Having regard to Decision ECB/2004/2 of 19 February 2004 adopting the Rules of Procedure of the European Central Bank², and in particular Article 13d thereof,

HAS ADOPTED THESE RULES OF PROCEDURE:

PRELIMINARY CHAPTER

Article 1 *Supplementary nature*

These Rules of Procedure shall supplement the Rules of Procedure of the European Central Bank. The terms used in these Rules of Procedure shall have the same meaning as in the Rules of Procedure of the European Central Bank.

CHAPTER I

SUPERVISORY BOARD

Article 2 *Supervisory Board meetings*

- 2.1. The Supervisory Board shall decide on the dates of its meetings on a proposal from the Chair. The Supervisory Board shall, in principle, meet regularly following a schedule that it shall determine in good time before the start of each calendar year.

* OJ L 182, 21.6.2014, p. 56. Rules of Procedure of the Supervisory Board of the European Central as amended by Amendment 1/2014 of 15 December 2014 to the Rules of Procedure of the Supervisory Board of the European Central Bank – unofficial consolidated version.

1 OJ L 287, 29.10.2013, p. 63.

2 OJ L 80, 18.3.2004, p. 33.

- 2.2. The Chair shall convene a meeting of the Supervisory Board if a request for a meeting is submitted by at least three of its members.
- 2.3. The Chair may also convene meetings of the Supervisory Board whenever he/she deems it necessary. In such cases, this shall be specified in a cover note.
- 2.4. At the request of the Chair, the deliberations of the Supervisory Board may also take place by means of teleconferencing, unless at least three members of the Supervisory Board object.

Article 3

Attendance at Supervisory Board meetings

- 3.1. Except as provided herein, attendance at meetings of the Supervisory Board shall be restricted to its members and, where the national competent authority is not the national central bank, to the representative of the national central bank.
- 3.2. Each representative of the national competent authority may normally be accompanied by one person. If the national competent authority is not the national central bank, this paragraph shall apply to the representative having the voting right. This paragraph shall also apply in the case of the attendance by an alternate, as provided in Article 3.3.
- 3.3. If a representative of a national competent authority or, where the national competent authority is not the national central bank, a representative of the national central bank, is unable to attend, he/she may appoint, in writing, an alternate to attend and to exercise their voting right as applicable, unless otherwise stipulated in the written communication. This written communication shall be sent to the Chair in due time before the meeting.
- 3.4. In the absence of both the Chair and the Vice-Chair, the Supervisory Board shall be chaired by the most senior member of the Supervisory Board in terms of the length of his/her membership in the first instance, and by age in the event of two or more members having equal standing in terms of the length of membership.

- 3.5. Upon invitation of the Chair, a representative of the European Commission and/or a representative of the European Banking Authority may participate in the meetings as observers. The Chair shall invite the representatives of the Commission and the European Banking Authority if a request for such an invitation is submitted by at least three members of the Supervisory Board. Applying the same rules, the Supervisory Board may also invite other persons to attend its meetings if it deems it appropriate to do so.

Article 4

Organisation of supervisory board meetings

- 4.1. The Supervisory Board shall adopt the agenda for each meeting. A provisional agenda shall be drawn up by the Chair and shall be sent, together with the related documents, to the members of the Supervisory Board at least five working days before the relevant meeting, except in emergencies, in which case the Chair shall act appropriately having regard to the circumstances. The Supervisory Board may decide to remove items from or add items to the provisional agenda on a proposal from the Chair or from any other member of the Supervisory Board. Except in emergencies, an item shall be removed from the provisional agenda at the request of at least three members of the Supervisory Board if the related documents were not submitted to the members of the Supervisory Board in due time.
- 4.2. The proceedings of Supervisory Board meetings shall be submitted to its members for approval at the subsequent meeting (or if necessary earlier by written procedure) and shall be signed by the Chair.

Article 5

Access to information

All the members of the Supervisory Board shall have regular access to updated information on the institutions deemed significant under Regulation (EU) No 1024/2013. The information made available to the members of the Supervisory Board should include key items of information that enable a meaningful understanding of such institutions. The Supervisory Board may adopt internal templates for sharing information for this purpose.

Article 6
Voting

- 6.1. For the purposes of this Article, the representatives of the authorities of any participating Member State shall together be considered as one member.
- 6.2. Unless explicitly indicated otherwise in writing by the national competent authority, the voting right shall be exercised by the representative of the national competent authority or their alternate in accordance with Article 3.3.
- 6.3. In order for the Supervisory Board to vote, there shall be a quorum of two-thirds of its members having a voting right. If the quorum is not met, the Chair may convene an extraordinary meeting at which members of the Supervisory Board may vote without regard to the quorum.
- 6.4. The Supervisory Board shall proceed to vote at the request of the Chair. The Chair shall also initiate a voting procedure upon request from three members of the Supervisory Board.
- 6.5. Except where otherwise provided by Regulation (EU) No 1024/2013, the Supervisory Board shall act by a simple majority of its members having a voting right. Each member shall have one vote. In case of a draw, the Chair shall have the casting vote. In the cases set out in Article 26(7) of Regulation (EU) No 1024/2013, the voting rules as laid down in Article 13c of the Rules of Procedure of the European Central Bank apply.
- 6.6. The Chair may initiate a secret ballot if requested by at least three members of the Supervisory Board having a voting right.
- 6.7. Voting may also take place by written procedure, unless at least three members of the Supervisory Board having a voting right object. In such case, the item shall be put on the agenda of the subsequent Supervisory Board meeting. A written procedure shall require normally not less than five working days for consideration by each member of the Supervisory Board and a record of any such deliberations in the proceedings of the subsequent Supervisory Board meeting. The absence of an explicit vote by a member of the Supervisory Board in a written procedure shall be deemed as approval.

Article 7
Emergencies

- 7.1. In case of emergencies, the Chair or, in his/her absence, the Vice-Chair shall convene a meeting of the Supervisory Board in time to take the necessary decisions, as appropriate also by means of teleconferencing by way of derogation from Article 2.4. When convening such a meeting, the Chair or, in his/her absence, the Vice-Chair shall make clear in the invitation letter that, by way of derogation from Article 6.3, if a quorum of 50 % for emergency decisions were not to be met, the meeting will be closed and immediately thereafter an extraordinary meeting, at which decisions may be taken without regard to the quorum, will be opened.
- 7.2. The Supervisory Board may lay down further internal rules on the adoption of decisions and other measures in situations of emergency.

Article 8
Delegation of power

- 8.1. The Supervisory Board may authorise the Chair or the Vice-Chair to take, on its behalf and under its responsibility, clearly defined management or administrative measures, including the use of instruments in preparation for a decision to be taken collectively by the members of the Supervisory Board at a later point in time and instruments implementing final decisions taken by the Supervisory Board.
- 8.2. The Supervisory Board may also ask the Chair or the Vice-Chair to adopt (i) the definitive text of any instrument as defined in Article 8.1 on condition that the substance of such instrument has already been determined in discussion, and/or (ii) final decisions, where such delegation involves limited and clearly defined executive powers, the exercise of which is subject to strict review in the light of objective criteria established by the Supervisory Board.
- 8.3. The delegations and decisions adopted in accordance with Articles 8.1 and 8.2 shall be recorded in the proceedings of the Supervisory Board meetings.

CHAPTER II

STEERING COMMITTEE

Article 9

The Steering Committee

In accordance with Article 26(10) of Regulation (EU) No 1024/2013, the Steering Committee of the Supervisory Board is hereby established.

Article 10

Mandate

- 10.1. The Steering Committee shall support the activities of the Supervisory Board and shall be responsible for preparing the meetings of the Supervisory Board.
- 10.2. The Steering Committee shall execute its preparatory tasks in the interest of the European Union as a whole and shall work in full transparency with the Supervisory Board.

Article 11

Composition and appointment of members

- 11.1. The Steering Committee shall be composed of eight members of the Supervisory Board: the Chair and the Vice-Chair of the Supervisory Board, one representative of the European Central Bank (ECB) and five representatives of the national competent authorities.
- 11.2. The Steering Committee shall be chaired by the Chair of the Supervisory Board or, in the exceptional absence of the Chair, the Vice-Chair.
- 11.3. The Supervisory Board shall appoint the representatives of the national competent authorities, ensuring a fair balance and rotation between the national competent authorities. The Supervisory Board shall follow a rotation system in accordance with which the national competent authorities shall be allocated to four groups, according to a ranking based on the total consolidated banking assets in the relevant participating Member State. Each group shall have as a minimum one member on the Steering Committee. The Supervisory Board shall review the grouping on

an annual basis or whenever a Member State adopts the euro or establishes a close cooperation with the ECB. The rotation of members within each group shall follow the alphabetical order of the names of the participating Member States in their national languages. The classification of the national competent authorities into groups and the assignment of seats on the Steering Committee to the groups are laid down in the Annex.

- 11.4. The terms of office of the representatives of the national competent authorities as members of the Steering Committee shall be one year.
- 11.5. The President of the ECB shall appoint the representative of the ECB in the Steering Committee from among the four ECB representatives on the Supervisory Board and determine the respective term of office.
- 11.6. The list of members of the Steering Committee shall be published and updated regularly.

Article 12
Steering Committee meetings

- 12.1. The dates of the meetings shall be decided by the Steering Committee on a proposal from the Chair. The Chair may also convene meetings whenever he/she deems it necessary. At the request of the Chair, the Steering Committee may also convene by means of teleconferencing, unless at least two members of the Steering Committee object.
- 12.2. The agenda for each Steering Committee meeting shall be proposed by the Chair and adopted at the beginning of the meeting by the Steering Committee. All members of the Steering Committee may propose items and documents to the Chair for consideration by the Steering Committee.
- 12.3. The agenda of any meeting of the Steering Committee shall be made available before such meeting to all members of the Supervisory Board. The proceedings of any meeting of the Steering Committee shall be made available to all members of the Supervisory Board prior to the subsequent meeting of the Supervisory Board.

- 12.4. On a proposal by the Chair, the Steering Committee may decide to invite one or more other members of the Supervisory Board to attend all or part of one of its meetings. When specific issues related to an individual credit institution are discussed, the representative of the national competent authority of the participating Member State in which that credit institution is located shall be invited.

CHAPTER III

FINAL PROVISION

Article 13

Entry into force

These Rules of Procedure shall enter into force on 1 April 2014.

ANNEX

ROTATION SYSTEM

For the purposes of Article 11.3, the following rotation system shall apply, on the basis of the data as at 31 December 2014:

Group	Member State	Number of seats on the Steering Committee
1	DE	1
	FR	
2	ES	1
	IT	
	NL	
3	BE	2
	IE	
	EL	
	LU	
	AT	
	PT	
	FI	
4	EE	1
	CY	
	LV	
	LT	
	MT	
	SI	
	SK	

DECISION OF THE EUROPEAN CENTRAL BANK

OF 17 SEPTEMBER 2014

ON THE IMPLEMENTATION OF SEPARATION BETWEEN THE MONETARY POLICY AND SUPERVISION FUNCTIONS OF THE EUROPEAN CENTRAL BANK

(ECB/2014/39)

(2014/723/EU)*

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to 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 institutions¹, and in particular Article 25(1), (2) and (3) thereof,

Whereas:

- (1) Regulation (EU) No 1024/2013 (hereinafter the ‘SSM Regulation’) establishes the Single Supervisory Mechanism (SSM) composed of the European Central Bank (ECB) and the national competent authorities (NCAs) of participating Member States.
- (2) Article 25(2) of the SSM Regulation requires the ECB to carry out its supervisory tasks without prejudice to and separately from its tasks relating to monetary policy and any other tasks. The ECB’s supervisory tasks should neither interfere with, nor be determined by, its tasks relating to monetary policy. Moreover, these supervisory tasks should not interfere with the ECB’s tasks in relation to the European Systemic Risk Board (ESRB) or any other tasks. The ECB is required to report to the European Parliament and to the Council as to how it has complied with this provision. The ECB’s supervisory tasks may not alter the ongoing monitoring of the solvency of its monetary policy counterparties. Furthermore, the staff involved in carrying out supervisory tasks should be organisationally separate from the staff involved in carrying out other tasks conferred on the ECB and subject to separate reporting lines.

* OJ L 300, 18.10.2014, p. 57.

1 OJ L 287, 29.10.2013, p. 63.

- (3) Article 25(3) of the SSM Regulation requires the ECB, for the purposes of Article 25(1) and (2), to adopt and make public any necessary internal rules, including rules regarding professional secrecy and information exchange between the two functional areas.
- (4) Article 25(4) of the SSM Regulation requires the ECB to ensure that the operation of the Governing Council is completely differentiated as regards monetary and supervisory functions. Such differentiation shall include strict separation of meetings and agendas.
- (5) In order to ensure separation between monetary policy and supervisory tasks, Article 25(5) of the SSM Regulation requires the ECB to set up a mediation panel to resolve differences of views expressed by the competent authorities of participating Member States concerned regarding an objection of the Governing Council to a draft decision by the Supervisory Board. It will include one member per participating Member State, chosen by each Member State among the members of the Governing Council and the Supervisory Board. Its decisions are to be made by a simple majority, with each member having one vote. The ECB is obliged to adopt and make public a regulation setting up the mediation panel and its rules of procedure; in that context, the ECB adopted Regulation (EU) No 673/2014 of the European Central Bank (ECB/2014/26)².
- (6) The ECB's Rules of Procedure have been amended³ in order to adjust the internal organisation of the ECB and its decision-making bodies to the new requirements arising from the SSM Regulation and clarify the interaction of the bodies involved in the process of preparing and adopting supervisory decisions.
- (7) Articles 13g to 13j of the ECB's Rules of Procedure provide details on the adoption of decisions by the Governing Council regarding matters related to the SSM Regulation. In particular, Article 13g concerns the adoption of decisions for the purpose of carrying out the tasks referred to in Article 4 of the SSM Regulation, and Article 13h concerns the adoption of decisions for the purpose of carrying out the tasks referred to in Article 5 of the SSM Regulation, implementing the requirements laid down in Article 26(8) of the SSM Regulation.

2 Regulation (EU) No 673/2014 of the European Central Bank of 2 June 2014 concerning the establishment of a Mediation Panel and its Rules of Procedure (ECB/2014/26) (OJ L 179, 19.6.2014, p. 72).

3 Decision ECB/2014/1 of 22 January 2014 amending Decision ECB/2004/2 adopting the Rules of Procedure of the European Central Bank (OJ L 95, 29.3.2014, p. 56).

- (8) Article 13k of the ECB's Rules of Procedure provides that the ECB must carry out supervisory tasks without prejudice to and separately from its tasks relating to monetary policy and from any other tasks. In this respect, the ECB is required to take all necessary measures to ensure separation between its monetary policy and supervisory functions. At the same time, the separation of the monetary policy and the supervisory functions should not preclude the exchange between these two functional areas of information necessary for the achievement of ECB and European System of Central Banks (ESCB) tasks.
- (9) Article 13l of the ECB's Rules of Procedure provides that Governing Council meetings regarding supervisory tasks must take place separately from regular Governing Council meetings and have separate agendas.
- (10) According to Article 13m of the ECB's Rules of Procedure on the ECB's internal structure in relation to supervisory tasks, the competence of the Executive Board in respect of the ECB's internal structure and staff encompasses supervisory tasks. The Executive Board is to consult the Chair and the Vice Chair of the Supervisory Board on this internal structure. The Supervisory Board, in agreement with the Executive Board, may establish and dissolve substructures of a temporary nature, such as working groups or task forces. These are to assist in work regarding supervisory tasks and report to the Supervisory Board. Article 13m also provides for the appointment of the Secretary of the Supervisory Board and the Steering Committee by the President of the ECB, after having consulted the Chair of the Supervisory Board. The Secretary is to liaise with the Secretary of the Governing Council when preparing the meetings of the Governing Council regarding supervisory tasks and be responsible for drafting the proceedings of these meetings.
- (11) Recital 66 of the SSM Regulation states that organisational separation of staff should concern all services needed for independent monetary policy purposes and should ensure that the exercise of the supervisory tasks is fully subject to democratic accountability and oversight as provided for by the SSM Regulation. The staff involved in carrying out supervisory tasks should report to the Chair of the Supervisory Board. Within this framework, in order to fulfil the requirements contained in Article 25(2) of the SSM Regulation⁴, the ECB

4 See also recital O of the Interinstitutional Agreement between the European Parliament and the European Central Bank on the practical modalities of the exercise of democratic accountability and oversight over the exercise of the tasks conferred on the ECB within the framework of the Single Supervisory Mechanism (2013/694/EU) (OJ L 320, 30.11.2013, p. 1); and recital G of the Memorandum of Understanding between the Council of the European Union and the European Central Bank on the cooperation on procedures related to the Single Supervisory Mechanism (SSM).

has established a structure of four Directorates-General for the performance of supervisory tasks and a Secretariat to the Supervisory Board, functionally reporting to the Chair and Vice Chair of the Supervisory Board. The ECB has further identified several business areas to provide support to both the monetary policy and supervisory functions of the ECB as shared services, where such support will not lead to conflicts of interest between the ECB's supervisory and monetary policy objectives. Divisions dedicated to supervisory tasks have been established within several 'shared service' business areas.

- (12) Article 37 of the Statute of the European System of Central Banks and of the European Central Bank lays down the obligation of professional secrecy for members of the governing bodies and the staff of the ECB and the national central banks. Recital 74 of the SSM Regulation states that the Supervisory Board, the steering committee and staff of the ECB carrying out supervisory duties should be subject to appropriate professional secrecy requirements. Article 27 of the SSM Regulation extends the obligation of professional secrecy to members of the Supervisory Board, and staff seconded by participating Member States carrying out supervisory duties.
- (13) The exchange of information between the ECB's monetary policy and supervisory functions should be organised in strict compliance with the limits established by Union law⁵, taking into account the principle of separation. Obligations protecting confidential information, as provided for in applicable laws and regulations, such as Council Regulation (EC) No 2533/98⁶ on the collection of confidential statistical data and the provisions of Directive 2013/36/EU of the European Parliament and of the Council⁷ relating to the sharing of supervisory information, will apply. Subject to the conditions set forth in this Decision, the principle of separation applies to the exchange of

5 See recital H of the Interinstitutional Agreement. According to Recital 74 of the SSM Regulation, the requirements for the exchange of information with the staff not involved in supervisory activities should not prevent the ECB from exchanging information within the limits and under the conditions set out in the relevant Union legislation, including with the Commission for the purposes of its tasks under Articles 107 and 108 TFEU and under Union law on enhanced economic and budgetary surveillance.

6 Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank (OJ L 318, 27.11.1998, p. 8).

7 Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

confidential information from both the monetary policy to the supervisory function as well as from the supervisory to the monetary policy function of the ECB.

- (14) According to recital 65 of the SSM Regulation, the ECB is responsible for carrying out monetary policy functions with a view to maintaining price stability in accordance with Article 127(1) of the Treaty on the Functioning of the European Union (TFEU). The objective of its supervisory tasks is to protect the safety and soundness of credit institutions and the stability of the financial system. They should therefore be carried out in full separation from the monetary policy function in order to avoid conflicts of interest and to ensure that each of these policy functions is exercised in accordance with its particular objectives. At the same time, effective separation between the monetary policy and supervisory functions should not prevent the reaping, wherever possible and desirable, of all the benefits to be expected as a result of combining these two policy functions in the same institution, including drawing on the ECB's extensive expertise in macroeconomic and financial stability issues and reducing double work when gathering information. It is therefore necessary to put in place mechanisms that allow an adequate flow of data and other confidential information between the two policy functions,

HAS ADOPTED THIS DECISION:

Article 1
Scope and objectives

1. This Decision sets out the arrangements complying with the requirement to separate the ECB's monetary policy function from its supervisory function (together referred to as 'the policy functions'), in particular with respect to professional secrecy and the exchange of information between the two policy functions.
2. The ECB shall carry out its supervisory tasks without prejudice to and separately from its tasks relating to monetary policy and any other tasks. The ECB's supervisory tasks shall neither interfere with, nor be determined by, its tasks relating to monetary policy. The ECB's supervisory tasks shall moreover not interfere with its tasks in relation to the ESRB or any other tasks. The ECB's supervisory tasks and the ongoing monitoring of the financial soundness and solvency of the Eurosystem's monetary policy counterparties shall be articulated in a way which does not lead to distorting the finality of either of these functions.

3. The ECB shall ensure that the operation of the Governing Council is completely differentiated as regards monetary and supervisory functions. Such differentiation shall include strict separation of meetings and agendas.

Article 2
Definitions

For the purposes of this Decision:

- (1) ‘confidential information’ means information classified as ‘ECB-CONFIDENTIAL’ or ‘ECB-SECRET’ under the ECB’s confidentiality regime; other confidential information, including information covered by data protection rules or by the obligation of professional secrecy, created within the ECB or forwarded to it by other bodies or individuals; any confidential information falling under the professional secrecy rules of Directive 2013/36/EU; as well as confidential statistical information in accordance with Regulation (EC) No 2533/98;
- (2) ‘need to know’ means the need to have access to confidential information necessary for the fulfilment of a statutory function or task of the ECB, which in case of information labelled as ‘ECB-CONFIDENTIAL’ shall be broad enough to enable staff to access information relevant to their tasks and take over tasks from colleagues with minimal delays;
- (3) ‘raw data’ means data transmitted by reporting agents, after statistical processing and validation, or data generated by the ECB through the execution of its functions;
- (4) ‘ECB Confidentiality Regime’ means the regime of the ECB which defines how to classify, handle and protect confidential ECB information.

Article 3
Organisational separation

1. The ECB shall maintain autonomous decision-making procedures for its supervisory and monetary policy functions.
2. All work units of the ECB shall be placed under the managing direction of the Executive Board. The competence of the Executive Board in respect of

the ECB's internal structure and the staff of the ECB shall encompass the supervisory tasks. The Executive Board shall consult the Chair and the Vice Chair of the Supervisory Board on such internal structure.

3. ECB staff involved in carrying out supervisory tasks shall be organisationally separated from the staff involved in carrying out other tasks conferred on the ECB. Staff involved in carrying out supervisory tasks shall report to the Executive Board in respect of organisational, human resources and administrative issues, but shall be subject to functional reporting to the Chair and the Vice Chair of the Supervisory Board, subject to the exception in paragraph 4.
4. The ECB may establish shared services providing support to both the monetary policy and the supervisory function in order to ensure that these support functions are not duplicated, thus helping to guarantee the efficient and effective delivery of services. Such services shall not be subject to Article 6 as regards any information exchanges by them with the relevant policy functions.

Article 4
Professional secrecy

1. Members of the Supervisory Board, of the Steering Committee and of any substructures established by the Supervisory Board, staff of the ECB and staff seconded by participating Member States carrying out supervisory duties shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy.
2. Persons having access to data covered by Union legislation imposing an obligation of secrecy shall be subject to such legislation.
3. The ECB shall subject individuals who provide any service, directly or indirectly, permanently or occasionally, related to the discharge of supervisory duties to equivalent professional secrecy requirements by means of contractual arrangements.
4. The rules on professional secrecy contained in Directive 2013/36/EU shall apply to the persons specified in paragraphs 1 to 3. In particular, confidential information that such persons receive in the course of their duties may be disclosed only in summary or aggregate form in such a way that individual credit institutions cannot be identified, without prejudice to cases covered by criminal law.

5. Nevertheless, where a credit institution has been declared bankrupt or is being compulsorily wound up, confidential information which does not concern third parties involved in attempts to rescue that credit institution may be disclosed in civil or commercial proceedings.
6. This Article shall not prevent the ECB's supervisory function from exchanging information with other Union or national authorities in line with applicable Union law. Information so exchanged shall be subject to paragraphs 1 to 5.
7. The ECB's confidentiality regime shall apply to the ECB's members of the Supervisory Board, ECB staff and staff seconded by participating Member States carrying out supervisory duties, even after their duties are ceased.

Article 5

General principles for the access to information between policy functions and classification

1. Notwithstanding Article 4, information may be exchanged between the policy functions provided that this is permitted under relevant Union law.
2. Information except raw data shall be classified in accordance with the ECB's confidentiality regime by the ECB policy function owning the information. Raw data shall be classified separately. The exchange of confidential information between the two policy functions shall be subject to the governance and procedural rules set out for this purpose, and to a need to know requirement, which shall be demonstrated by the requesting ECB policy function.
3. Access to confidential information by the supervisory or monetary policy function from the respective other policy function shall be determined by the ECB policy function that owns the information in accordance with the ECB's confidentiality regime, unless stated otherwise in this Decision. In the event of conflict between the two policy functions of the ECB regarding access to confidential information, the access to confidential information shall be determined by the Executive Board in compliance with the principle of separation. Consistency of decisions on access rights and adequate recording of such decisions shall be ensured.

Article 6

Exchange of confidential information between policy functions

1. The ECB's policy functions shall disclose confidential information in the form of non-anonymised common reporting (COREP) and financial reporting (FINREP)⁸ data as well as other raw data to the respective other policy function of the ECB upon request on a need to know basis, subject to Executive Board approval, except where Union law provides otherwise. The ECB's supervisory function shall disclose confidential information in the form of anonymised COREP and FINREP data to the monetary policy function of the ECB upon request on a need to know basis, except where Union law provides otherwise.
2. The ECB's policy functions shall not disclose confidential information containing assessments or policy recommendations to the respective other policy function, except upon request on a need to know basis, and ensuring that each policy function is exercised in accordance with the applicable objectives, and where such disclosure has been expressly authorised by the Executive Board.

The ECB's policy functions may disclose confidential aggregated information containing neither individual banking information nor policy-sensitive information related to the preparation of decisions to the respective other policy function upon request on a need to know basis, and ensuring that each policy function is exercised in accordance with the applicable objectives.

3. Analysis of the confidential information received under this Article shall be conducted autonomously by the receiving policy function in accordance with its objective. Any subsequent decision shall be taken solely on this basis.

Article 7

Exchange of confidential information involving personal data

The exchange of information involving personal data shall be subject to applicable Union law on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

⁸ See Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council, (OJ L 191, 28.6.2014, p. 1).

Article 8

Exchange of confidential information in emergency situations

Notwithstanding Article 6, in an emergency situation as defined in Article 114 of Directive 2013/36/EU, the ECB's policy functions shall communicate, without delay, confidential information to the respective other policy function of the ECB, where that information is relevant for the exercise of its tasks in respect of the particular emergency at hand.

Article 9

Final provision

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Union*.

Done at Frankfurt am Main, 17 September 2014.

The President of the ECB
Mario DRAGHI

ANNEX

EXCERPT FROM THE ECB CONFIDENTIALITY REGIME

All documents created by the ECB must be assigned one of the five security classifications below.

Documents received from parties outside the ECB are to be handled in accordance with the classification label on the document. If that document does not have a classification label, or the classification is assessed by the recipient as being too low, the document must be relabelled, with an appropriate ECB classification level clearly indicated at least on the first page. The classification should only be downgraded with the written permission of the originating organisation.

The ECB's five security classifications with their access rights are listed below.

ECB-SECRET: Access within the ECB limited to those with a strict 'need to know', approved by an ECB senior manager of the originating business area, or above.

ECB-CONFIDENTIAL: Access within the ECB limited to those with a 'need to know' broad enough to enable staff to access information relevant to their tasks and take over tasks from colleagues with minimal delay.

ECB-RESTRICTED: Can be made accessible to ECB staff and, if appropriate, ESCB staff with a legitimate interest.

ECB-UNRESTRICTED: Can be made accessible to all ECB staff and, if appropriate, ESCB staff.

ECB-PUBLIC: Authorised to be made available to the general public.