



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Danièle NOUY
Chair of the Supervisory Board

Mr Fabio De Masi
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 21 January 2015

Re: Your letter (QZ54)

Honourable Member of the European Parliament, dear Mr De Masi,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 17 December 2014. In your letter, you asked about the cooling-off periods applicable to the members of the Supervisory Board.

The Code of Conduct for the members of the Supervisory Board was published on the ECB's Banking Supervision [website](#) on 22 December 2014.

The purpose of the Code is to provide a general framework of high ethical standards which the members and other participants in Supervisory Board meetings, such as accompanying persons, alternates and representatives of national central banks, are to observe, and to establish procedures to deal, among other things, with potential conflicts of interest. For instance, Article 4(1) of the Code states that Members of the Supervisory Board "shall act independently and objectively in the interest of the Union as a whole".

In particular, in order to prevent possible conflicts of interest resulting from subsequent employment, Article 8(1) of the Code requires the members of the Supervisory Board to inform the President of the ECB of their intention to engage in any occupational activity in a two-year period from the date of their ceasing to hold office. This is in accordance with Article 31(3) of Council Regulation (EU) No 1024/2013 of 15 October 2013 (the SSM Regulation).

In addition to this notification obligation, standard cooling-off periods are established for the members of the Supervisory Board:

- one year for a position in a credit institution directly supervised by the ECB;
- one year for a credit institution not directly supervised by the ECB but where a conflict of interest exists or could be perceived as existing;
- six months for an institution other than a credit institution where a conflict of interest exists or could be perceived as existing.

Members of the Supervisory Board must ask the ECB's Ethics Committee to issue an opinion on the cooling-off periods applicable to them. The Ethics Committee may recommend the waiver, the reduction or the extension by up to two years of the cooling-off period, based on an assessment of the specific circumstances. Considering the opinion of the Ethics Committee, the Supervisory Board is then required to make a recommendation to the respective national competent authority or central bank who is to inform the Supervisory Board of any impediment to the implementation of the recommendation.

The Code of Conduct does not include provisions regarding the appointment of members to the Supervisory Board, since the Supervisory Board is not involved in the appointment processes. The Chair and the Vice-Chair are appointed by the EU Council with the approval of the European Parliament; the members of the Supervisory Board that are representatives of the ECB are appointed by the ECB's Governing Council. The other members of the Supervisory Board are representatives of the national competent authorities appointed by their respective institutions. It is therefore up to the institutions appointing the members to assess and address potential conflicts of interest during the selection procedures.

The final version of the Code of Conduct is the result of in-depth work at expert level, taking into account all relevant considerations and parameters, as well as a consultation of internal bodies. The European Parliament was informed of the draft version of the Code of Conduct, before its adoption, by a letter sent to Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, on 31 October 2014.

Yours sincerely,

[signed]

Danièle Nouy