



EUROPEAN CENTRAL BANK
EUROSYSTEM

Christine LAGARDE
President

Ms Irene Tinagli
Chair of the Committee on Economic
and Monetary Affairs
European Parliament
60, rue Wiertz
B-1047 Brussels

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Decisions strengthening the ECB's integrity and good governance

Dear Chair, dear Irene,

Over the years, the ECB has constantly reviewed its governance framework, with a view to promoting integrity, good governance and the highest ethical standards. As I have previously stated before the Committee on Economic and Monetary Affairs (ECON), the ECB's strong commitment to integrity and good governance enhances trust in the ECB as a European institution and, ultimately, in its decisions.¹

It is my pleasure to inform the Members of the ECON Committee of two developments that further underscore the ECB's unwavering commitment to its public mission and its wish to remain among the leading institutions in the field of good conduct and good governance.

First, we have significantly enhanced our rules for the private financial transactions of high-level officials. These rules are part of the Code of Conduct and apply to all members of the Governing Council, Executive Board and the Supervisory Board. The enhanced Code of Conduct is attached to this letter and will be published on the ECB's website.

¹ See my speech at the Hearing at the Committee on Economic and Monetary Affairs of the European Parliament, Frankfurt am Main, 28 September 2020, available at: https://www.ecb.europa.eu/press/key/date/2020/html/ecb.sp200928_2~7869b4af93.en.html.

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These new rules were prepared by the ECB's independent Ethics Committee and were fully supported by the members of the Governing Council and the Supervisory Board. The rules impose additional restrictions on the investment universe and horizon, as well as new transparency obligations. As of 1 January 2023, high-level ECB officials will only be allowed to invest in publicly listed, broadly diversified collective instruments with a medium to long-term investment horizon. They will also be required to disclose all financial transactions undertaken during the previous calendar year in their Declarations of Interests, which are published on the ECB website.

Second, we have further strengthened the independence of the members of the ECB's Audit Committee and its Ethics Committee. In recent years, membership of the two committees has been opened to externals who had not previously been a part of the Eurosystem central banking community. Members of the Ethics Committee have, for several years now, included the Chief Ethics Counsel of a non-governmental organisation and a former ethics adviser at the International Monetary Fund.² Further to that, the ECB's Governing Council has decided to appoint Pervenche Berès, former Member of the European Parliament, as a member of both the Audit Committee and the Ethics Committee as of 1 January 2023. Ms Berès' appointment will further enrich the work of the committees and bring additional diversity.

Yours sincerely,

[signed]

Christine Lagarde

² See "Feedback on the input provided by the European Parliament as part of its resolution on the ECB Annual Report 2020", available at: https://www.ecb.europa.eu/pub/pdf/other/ecb.20220428_feedback_on_the_input_provided_by_the_european_parliament~e2638b53e0.en.pdf.