

Christine LAGARDE
President

(TRANSMITTED ON 25 OCTOBER 2021)

Mr Yves Mersch
Former Member of the ECB Executive Board and Governing Council

Subject: Notification on envisaged post-employment activity – Governing Council Letter

Dear Mr Mersch,

I refer to your oral notification of your new role as member of the Board of Trustees of “Scope” Foundation to the Ethics Committee end-September 2021. Although your appointment has taken place on 9 September 2021, you confirmed to the Ethics Committee that you have effectively not yet assumed your new responsibilities. Nonetheless, the Governing Council would like to recall that the Single Code establishes the requirement to inform prior to accepting a remunerated post-employment activity so that the advice of the Ethics Committee can be sought in a timely manner.

As to the substance, having obtained and considered the opinion of the Ethics Committee, the Governing Council concurs with the Committee’s stance that taking on such responsibility would be subject to a six-month cooling-off period and that such cooling-off period has meanwhile been observed. Thus, the Governing Council does not object to you taking on the assignment as member of the Board of Trustees of the Foundation. Nevertheless, in order to credibly avoid the merest doubts on your impartiality and to best protect the independence and integrity of the ECB and that of its (former) high-level officials, the Governing Council, having considered the opinion of the Ethics Committee, asks you to abstain from participating in matters/discussions/deliberations on dossiers that also fall within the remit of the ECB, until the end of your two-year notification period established by Article 17.1 of the Single Code (i.e. until mid-December 2022).

In formulating the above conclusion, it has been taken into consideration that, although the Foundation’s Board of Trustees has a specific mandate and is not directly linked to the Scope Ratings’ core business, its members are still called to “offer their expertise and counsel”. Given that, first, you had a leading role in establishing and further developing the Eurosystem credit assessment framework, which – as you know – draws on external credit assessment institutions (ECAIs) to evaluate the credit quality of collateral used in monetary policy operations, and that,

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second, Scope Ratings has expressed its interest in becoming eligible as ECAI, the Governing Council deems it prudent and adequate to introduce such precautionary measure.

With regard to the Board of Trustees' responsibility for the management of the Foundation's assets, the Governing Council does not deem it necessary to suggest any precautionary measures to protect your and the ECB's integrity as almost one year has elapsed since you had left the role of ECB Executive Board and Governing Council member and thus any former insights into market sensitive information have meanwhile lost their relevance.

Nevertheless, the Governing Council deems it important to remind you of your professional secrecy obligations applying beyond your term as member of the ECB Governing Council¹ - to be understood as a prohibition to disclose any information covered by the obligation of professional secrecy obtained in the exercise of duties and responsibilities that has not been made public and is not accessible to the public.

Last but not least, in line with the transparency policy adopted by the Governing Council in July 2020, I should like to recall that opinions issued by the Ethics Committee on post-employment matters are being published.

With best regards,

ECB President (Christine Lagarde)

Cc: Mr Honohan, Chairman of the ECB Ethics Committee

¹ In line with Article 339 of the Treaty on the Functioning of the European Union, Article 37 of the Statute of the European System of Central Banks and of the European Central Bank and Article 4 of the Single Code.