



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

Mario DRAGHI

President

Ms Nessa Childers

Member of the European Parliament

European Parliament

60, rue Wiertz

B-1047 Brussels

Frankfurt am Main, 26 October 2018

L/MD/18/353

Re: Your letter (QZ-063)

Honourable Member of the European Parliament, dear Ms Childers,

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 23 July 2018.

The ECB has taken note of the European Ombudsman's decision of 3 July 2018 on the involvement of the members of the ECB's decision-making bodies in the "Group of Thirty" (G30) and responded to that decision on 28 September 2018.¹ In its response, the ECB reflected the in-depth explanations of its position provided in its letter to the European Ombudsman of 31 October 2017² and its detailed opinion of 18 April 2018.³

As I said during my last hearing before the ECON Committee on 24 September 2018, the ECB welcomes any proposals that help to further improve the ECB's transparency and good governance. In our previous replies to the European Ombudsman, we have also presented the steps the ECB has taken over recent years to improve its frameworks in both domains.

To safeguard the impartiality and integrity of its high-level officials, the ECB has developed a strong set of ethics rules and provisions. The ECB's high-level officials strictly adhere to the obligations laid down in the Statute of the European System of Central Banks and of the European Central Bank⁴, the Code of Conduct

¹ The ECB's response to the Decision of the European Ombudsman on the involvement of the President of the European Central Bank and members of its decision-making bodies in the 'Group of Thirty' (Case 1697/2016/ANA) is available on the ECB's website at https://www.ecb.europa.eu/pub/pdf/other/responseecbeuropeanombudsman_g30_20180928.en.pdf.

² Available on the ECB's website at https://www.ecb.europa.eu/pub/pdf/other/replyecbeuropeanombudsman_g30_20171031.en.pdf.

³ Available on the ECB's website at https://www.ecb.europa.eu/pub/pdf/other/ecb.other180418_opinion_ombudsman.en.pdf.

⁴ Article 37 of the [Statute of the ESCB and the ECB](#).

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for the members of the Governing Council⁵, and the Supplementary Code of Ethics Criteria for the members of the Executive Board⁶ and/or the Code of Conduct for the Members of the Supervisory Board⁷ at all times, also when participating in closed events. In accordance with these rules, the ECB's high-level officials act independently and avoid conflicts of interests when exercising the powers and carrying out the tasks and duties conferred upon them.

Participation in external events by members of the Executive Board and the Chair and Vice-Chair of the Supervisory Board is typically announced beforehand in the ECB's weekly schedule.⁸ In addition, to ensure a high level of transparency, such events are included in the respective calendars published on the ECB's website.⁹ The speeches of members of the Executive Board and the Chair and Vice-Chair of the Supervisory Board are also published on the website in real time. Moreover, the ECB has adopted a set of principles to guide the Executive Board members in their interaction with private sector, academic and civil society representatives.¹⁰ The Chair and Vice-Chair of the Supervisory Board, as well as the ECB representatives on the Board, have voluntarily subscribed to these rules. In addition, the ECB is currently looking into the feasibility of broadening the scope of these guiding principles.

These transparency standards and ethics rules apply to the involvement of members of the ECB's decision-making bodies in all meetings and events with external participants. Members of the European Parliament (MEPs) regularly participate alongside members of the ECB's decision-making bodies in meetings organised by third parties or by the ECB itself and involving many different third-party stakeholders. On such occasions, MEPs have the opportunity to experience first-hand the application of these rules and principles by ECB representatives and the absence of any form of maladministration in this respect.

The ECB is committed to continuing to apply its high ethics standards in all meetings and events hosted by third parties, including those organised by the G30. The ECB will thus ensure the maximum possible transparency as requested by the European Ombudsman in her final decision.

It should also be noted that, as pointed out in the ECB's response to the European Ombudsman, the G30 has taken actions to improve its transparency. Since its plenary meeting of November-December 2017, the G30 has been publishing the agendas, lists of participants and summaries of its meetings¹¹, a move which mirrors the ECB's own practice in relation to its meetings and structured dialogues with the financial and non-financial sectors. The ECB also informed the G30 of the European Ombudsman's suggestion to publish the names of

⁵ [Code of Conduct of the Members of the Governing Council.](#)

⁶ [Supplementary Code of Ethics Criteria for the members of the Executive Board of the European Central Bank.](#)

⁷ [Code of Conduct for the Members of the Supervisory Board of the European Central Bank.](#)

⁸ Available on the ECB's website at <https://www.ecb.europa.eu/press/weekly/html/index.en.html>.

⁹ Diaries available on the ECB's website at https://www.ecb.europa.eu/ecb/access_to_documents/document/calendars/html/index.en.html.

¹⁰ For more information, see <https://www.ecb.europa.eu/ecb/orga/transparency/html/eb-communications-guidelines.en.html>.

¹¹ Available on the G30's website at <http://group30.org/events>.

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the members of the G30 Board of Trustees. This information is now available on the G30's website.¹² The ECB has encouraged the G30's recent initiatives to increase transparency and will continue to do so.

In its previous communication to the European Ombudsman and its response of 10 April 2018 to your honourable colleague¹³, the ECB also explained its position on the issue of membership, which you also raised in your letter. The ECB remains convinced that members of its decision-making bodies must be allowed to belong to fora that include representatives of private sector entities, including banks, and to attend related meetings, when such gatherings are deemed relevant and useful for central bankers in fulfilling their mandates and provided that their forum membership is compatible with the principles of good governance. Given the European Parliament's role as co-legislator on all EU financial sector legislation, I trust that the European Parliament also appreciates the need for an open dialogue between decision-makers and relevant third-party stakeholders.

As I also had the opportunity to clarify in the aforementioned replies, the G30 does not discuss individual entities supervised by ECB Banking Supervision. Rather, the G30 examines international economic and financial issues, which are without doubt relevant, useful and of interest to central bankers. In fact, there is a clear established practice of G30 membership among major central banks.¹⁴ The two previous Presidents of the Federal Reserve Bank of New York – which, in line with the Federal Reserve structure, not only implements monetary policy but also supervises and regulates financial institutions – were both members during their tenure at the Federal Reserve. The G30 also regularly includes members from many other central banks, such as the Bank of England, the Bank of Japan and the People's Bank of China. As such, the ECB fully complies with the European Parliament's Resolution of 6 February 2018¹⁵, which requests that membership in forums or groups that include executives from banks supervised by the ECB be in line with established practice among major central banks and international financial organisations. Finally, it is established practice that G30 members' meetings are hosted by central banks: the Federal Reserve Bank of New York hosts the end-of-year plenary sessions, while in recent years the Bank of England and the Monetary Authority of Singapore have hosted the spring meetings; one of the next meetings will be hosted by the Banco de España.

Concerning your specific question about the other fora or organisations in which members of the ECB's decision-making bodies participate, let me stress that regular interaction with market participants and other stakeholders is essential to allow the ECB to fulfil its mandate. It is thus common practice for the ECB's high-level officials to participate in meetings, seminars and conferences organised to promote discussions between industry leaders and EU and international decision-makers on topics of major interest to the financial

¹² Available on the G30's website at <http://group30.org/about/leadership>.

¹³ Available at https://www.ecb.europa.eu/pub/pdf/other/ecb.mepletter180426_Tang.en.pdf?20b83f9cd9ca7c097c04db1d2204964f.

¹⁴ Indeed, the G30 members who hold non-executive positions in banks supervised by the ECB – and are thus not involved in the day-to-day management of the banks – are former central bankers.

¹⁵ European Parliament Resolution of 6 February 2018 on the ECB Annual Report 2016, available at <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2018-0025+0+DOC+PDF+V0//EN>.

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sector. These include the conferences, seminars and meetings organised by the Institute of International Finance and by the Institute for Monetary and Financial Stability, the Euro Finance Week and the recurring events organised by the World Economic Forum. In such fora, the ECB is often joined by, among others, representatives of other central banks and national governments, as well as by MEPs, of course. As mentioned above, such activities undertaken by the members of the Executive Board and the Chair and Vice-Chair of the Supervisory Board are included in their calendars, which are published on the ECB's website, and the information is typically also provided ex ante in the ECB's weekly schedule. The ECB itself, like the other EU institutions, organises regular high-level meetings with the financial and non-financial sectors to deepen its understanding of economic and financial market developments.¹⁶

In conclusion, let me once again highlight that the ECB's robust transparency and good governance frameworks, in combination with the separation of central banking from supervisory tasks, provide necessary and sufficient safeguards to protect and ensure the ECB's independence also when members of its decision-making bodies belong to and participate in fora or meetings of the G30, or other third parties.

Yours sincerely,

[signed]

Mario Draghi

¹⁶ <https://www.ecb.europa.eu/pub/fsr/html/bid.en.html>; <https://www.ecb.europa.eu/paym/groups/iid/html/index.en.html> and [http://www.ecb.europa.eu/ecb/access_to_documents/document/dialogue/non-financial_business_sector_dialogue_\(nfbd\)/html/index.en.html](http://www.ecb.europa.eu/ecb/access_to_documents/document/dialogue/non-financial_business_sector_dialogue_(nfbd)/html/index.en.html).

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