

THE ETHICS COMMITTEE

[ECB/EC/18/1]

ECB-PUBLIC

(TRANSMITTED ON 25 OCTOBER 2018)

Mr Luis de Guindos
Vice-President of the ECB

**Subject: Notification of potential conflict of interest arising from family members' professional rolesⁱ
– Ethics Committee Opinion**

Dear Mr de Guindos,

Thank you for notifying the Ethics Committee of a possible conflict of interest between your role as Vice-President and the professional role of one family member in a credit institution directly supervised by the ECB (case 1) and another in a financial sector firm (case 2), which we also take note of and have registered accordingly.

The Ethics Committee acknowledges your proactive notification thereby demonstrating your understanding of the relevance of the ECB's ethics and integrity rules and your level of awareness of the risks arising from conflicts of interest constellations; this is particularly relevant with regard to case 1.

In order to effectively mitigate possible public perceptions that private or personal interests may negatively influence the impartial and objective performance of your tasks in relation to case 1, the Ethics Committee:

- already sought and obtained your confirmation that there are no actual personal or private interests such as financial interests in the form of shared accounts or accounts/portfolios managed for or on behalf of your family member that might impair your impartiality or objectivity;
- asks you to recuse yourself from any discussion/consideration of the ECB decision-making bodies on matters directly related to the specific credit institution directly supervised by the ECB; *in praxi* this means that you shall neither be granted access to related documents nor participate in discussions and deliberations nor exercise any voting rights (in meetings or written procedures); the Secretary of the Ethics Committee will inform the Secretary of the respective decision-making bodies accordingly;
- has also considered whether the recusal should be extended to the direct competitors of this credit institution directly supervised by the ECB; it concluded that, given the specific professional role in case 1, such an extension would be disproportionate, also in light of the professional secrecy obligations which are in any case applicable;

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- finally notes that, in the event of this credit institution acquiring a controlling stake in or entering into a strategic alliance with another credit institution under SSM supervision, the possible extension of scope of the mitigating measures would need to be re-examined.

With regard to case 2, the Ethics Committee observed that while such financial sector firms are financial market players, decisions taken by the ECB (such as monetary policy decisions) only impact these firms indirectly as any other financial market player. Moreover, the Ethics Committee noted that, differently from credit institutions under the direct / indirect supervision of the ECB, the ECB has no supervisory roles over such financial sector firms and thus no potential conflict of interest concerns could be identified.

Nevertheless, the Ethics Committee considered it opportune to remind you of the importance of respecting your professional secrecy obligations (Article 5 GovC CoC) vis-à-vis both family members' professional roles.

With the above safeguards being rigorously adhered to and implemented and with the implementation being properly recorded (e.g. in the relevant proceedings) the Ethics Committee is confident that related reputational risks are being effectively and satisfactorily addressed.

With best regards,

Chair of the ECB Ethics Committee (Jean-Claude Trichet)

Disclaimer: In accordance with applicable data protection legislation, parts containing personal data of third parties have been redacted from these opinions, together with any information that would make the data subjects identifiable, unless the information has been published in the Declaration of Interests.