

Christine LAGARDE

President

(TRANSMITTED ON 31 JANUARY 2020)

Mr Klaus Kumpfmüller

Former alternate member of the ECB Supervisory Board

Former Member of the Executive Board of Österreichische Finanzmarktaufsicht

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

Dear Mr Kumpfmüller,

I refer to the notification of your intention to engage in a gainful occupational activity as CEO of HYPO Oberösterreich (Oberösterreichische Landesbank AG), a less-significant Austrian credit institution and your request to issue an opinion on the cooling-off period that is applicable to you as a result of your (past) responsibilities for the ECB Supervisory Board.

In response, the members of the Governing Council firstly note that the Single Code¹ stipulates that alternate members to the Supervisory Board may engage in a gainful occupational activity with a less significant credit institution after the expiry of a period of six months from the end of their duties and responsibilities as alternates.

Having obtained and considered the opinion of the Ethics Committee, the members of the Governing Council observe that in line with the Single Code², the Ethics Committee also considered whether there are circumstances that would require an extension of the cooling-off period. In this regard, the Ethics Committee took into account the future professional role, i.e. that you would become a CEO of a credit institution, which is the highest-ranking executive position in a bank having also representative functions. At the same time, however, you will join a less significant credit institution which is not directly supervised by the ECB and, as a consequence, in the supervision of which you were not involved in your function as Supervisory Board alternate member. Against that backdrop and from an ECB perspective and related responsibilities only, the Governing Council does not see a case for extending the cooling-off period beyond six months from the date as of which you relinquished your duties.

At the same time the Governing Council wishes to emphasise that the above assessment applies exclusively to your role as alternate member of the Supervisory Board and is without prejudice to

¹ Article 17.2 (a) of the Code Conduct for High-level ECB Officials (Single Code).

² Article 17.3 of the Single Code.

the application of likely stricter national rules which you may be subject to by virtue of your function at the FMA, namely in view of your involvement in the supervision of the less significant credit institution in question.

The Ethics Committee moreover noted that in line with the Single Code³, an appropriate level of compensation should be paid to you by your NCA from the end of your term with the FMA until the end of your cooling-off period.

For the sake of completeness, the Ethics Committee deems it important to remind you of your professional secrecy obligations applying beyond your term as alternate member of the ECB Supervisory Board⁴ and of your duty to notify any potential new occupational activity for a period of one year from the end of your term.

Kindly confirm to the Chairman of the Ethics Committee that you will observe the six months cooling-off period as asked for by the Governing Council.

With best regards,

ECB President (Christine Lagarde)

Cc: Mr Enria, Chairman of the Supervisory Board
Mr Honohan, Chairman of the ECB Ethics Committee
Mr Holzmann, Governor of the Oesterreichische Nationalbank
Mr Lejsek, Ministry of Finance of the Government of Austria

³ Article 17.4 of the Single Code.

⁴ 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, Article 27 (1) of Council Regulation (EU) No 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, Article 4 of the Single Code and Article 54 of the Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.