



# European Ombudsman

## Complaint about maladministration

Complaint submitted on: 10 November 2016

European Ombudsman

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On behalf of (if applicable): Corporate Europe Observatory

Name	Size	Content type
<a href="#">QZ 132.pdf</a>	76K	application/pdf
<a href="#">QZ 134.pdf</a>	73K	application/pdf
<a href="#">151028letter_demasi.en-1.pdf</a>	24K	application/pdf
<a href="#">Letter to the ECB, October 2015.jpg</a>	230K	image/jpeg
<a href="#">2016-10-06 - letter - CCGO to K Haar - participation DMB members ECB G30 meetings.pdf</a>	113K	application/pdf
<a href="#">Letter to the European Central Bank, 13. April 2016.pdf</a>	148K	application/pdf
<a href="#">BankingConductandCulture.pdf</a>	2380K	application/pdf
<a href="#">Letter to the ECB, October 2015.jpg</a>	230K	image/jpeg
<a href="#">PA-2015-24 - LS-PvdH-15- 28 - 2015-12-01 - Letter Haar.pdf</a>	1676K	application/pdf
<a href="#">G30 NewParadigm.pdf</a>	3974K	application/pdf
<a href="#">QZ 133.pdf</a>	73K	application/pdf

## Against which European Union (EU) institution or body do you wish to complain?

The European Central Bank

## What is the decision or matter about which you complain? When did you become aware of it? Add annexes if necessary.

Over the past couple of years, members of the decision making bodies of the European Central Bank (ECB) have taken a number of steps that bring them and thus the ECB – closer to the Group of Thirty (G30), a body of very senior representatives of the private and public sectors, dominated

by members of some of the biggest financial corporations in Europe and the world.

Besides the regular participation of the ECB President at meetings of the G30, including confidential meetings, we've seen the following:

- Member of the Supervisory Board Julie Simpson has participated in a G30 working group, which released recommendations on banking supervision,
- member of the Executive Board Sabine Lautenschläger participated in the 2015 International Banking Seminar organised by the G30,
- At the same time, the G30 has changed its approach to public messaging, in that its reports and recommendations appear more clearly as products supported by *all* its members without qualification, including the ECB President, and in one case Julie Simpson specifically.

Finally, the chairman of the G30, Jean-Claude Trichet, has been nominated chairman of the Ethics Committee of the ECB.

Considering the responsibilities of the ECB in regulating the finance sector, and the importance of its public standing and reputation, it is vital that members of the ECB decision making bodies avoid {the perception of) conflicts of interest, and avoid close association with special interest groups, including the big banks represented in the G30.

We have raised a series of concerns with the European Central Bank, and according to the replies, no precautionary measures have been taken. The ECB decision-making bodies have taken a passive approach to the G30, and cites – among other things - a decision of the previous Ombudsman. We believe the ECB misinterpretes the decision, and that in general, the ECB has adopted a risky strategy by refraining from action, putting the reputation and integrity of the institution in peril.

Especially when considering the new responsibilities of the ECB as supervisor of the biggest financial institutions in the EU, it is deeply concerning that no steps have been taken to test whether the deeper involvement in the G30 is in line with the ECB's rules, the principles of its ethical standards and the need to safeguard the reputation of Europe's Central Bank.

This complaint follows an earlier complaint, sent to the Ombudsman in February this year. The earlier complaint was rejected, citing too little direct interaction with the ECB. Since then, CEO has had an exchange with the ECB, in that we sent the institution detailed questions on the issue in April. After prompting the ECB to respond a number of times, we received the replies on 6th October, in which the ECB explains that no measures have been taken, and that the ECB sees no need for such measures.

#### **Annexes:**

- Exchange with the ECB on the G30, 2 letters from the undersigned and two responses.
- Three formal questions from MEP Fabio de Masi to the ECB

- Letter from ECB President Mario Draghi to Fabio de Masi

- The G30 reports “A new paradigm” and “Banking conduct and culture”

What do you consider that the EU institution or body has done wrong?

Corporate Europe Observatory (CEO) has followed the involvement of members of the decision-making bodies of the European Central Bank (ECB) in the work of the Group of Thirty (G30) for a number of years.

The G30 is, in its own words, “a body of the most senior representatives of the private and public sectors and academia set up in 1978 to explore the international repercussions of decisions taken in the world of finance (both public and private sectors), and to examine the choices available to market practitioners and policymakers.” It boasts members who work for the biggest financial corporations, a few academics, and a number of central bankers, including Mr. Draghi. For more details on members, see the website of G30, [www.group30.org](http://www.group30.org).

CEO argues that the proximity between the ECB and private bankers constitutes a problem for the former, especially when considering the many views expressed on behalf of the G30, which tend to be in full harmony with the positions of the biggest banks in the world - some of which are represented in the G30. Also, the G30 routinely communicates recommendations to the outside world as if they were positions of the whole group, most clearly over the past couple of years (see below). In parallel, we see the ECB stepping up its involvement in the group considerably.

This increased involvement has spurred us to take a closer look at the interaction between the ECB and the G30, and we have identified a series of incidents of concern. It seems this increased involvement is taking place with little or no regard to the ethical rules that should ensure the good reputation of the ECB, safeguard its decision-making bodies from actual or apparent conflicts of interest, and enforce rules that have been adopted to ensure the proper functioning of its key operations, including monetary policies and banking supervision.

Four observations give rise to concern:

### **1. Close relationships with selected supervised banks questionable**

For the first time, a member of the ECB's Supervisory Board, has contributed to the work of the G30.. Julie Dickson participated in the G30 working group, that produced a G30 report, “Banking Conduct and Culture”, which thematically overlaps her responsibilities as member of the Supervisory Board.

Ms. Julie Dickson is listed in the report as an observer, however, in the introduction, as well as in the brief text with acknowledgements, she is congratulated as if she were a contributor, not merely a silent bystander. Moreover, Ms. Julie Dickson has referred at length to the publication in a subsequent speech.

Link to speech:

<https://www.bankingsupervision.europa.eu/press/speeches/date/2015/html/se150924.en.html>

It is universally acknowledged that when financial bodies are under ECB supervision, some

decisions made by supervisory bodies must be kept confidential, including from entities under supervision. In this case, it should be noted that the G30 comprises a number of representatives of financial corporations with subsidiaries supervised by the ECB, including Axel A. Weber (UBS), Jacob Frenkel (JP Morgan), Tidjane Thiam (Crédit Suisse), and E. Gerald Corrigan (Goldman Sachs). And – more specifically – several members of the G30 working group behind the above-mentioned report, are linked to corporations in part supervised by the ECB, namely William Rhodes (Citigroup), Gerd Häusler (Bayerische Landesbank), Guillermo de la Dehesa (Grupo Santander), Richard A. Debs (Morgan Stanley), and Maria Ramos (Barclays).

Link to list of supervised entities of the ECB:

[https://www.bankingsupervision.europa.eu/ecb/pub/pdf/List\\_for\\_publishing\\_20151230.pdf?8f3c2b2083bb3ab26482fe79fdb668f6](https://www.bankingsupervision.europa.eu/ecb/pub/pdf/List_for_publishing_20151230.pdf?8f3c2b2083bb3ab26482fe79fdb668f6)

This should be seen in the light of recent debate on confidentiality requirements. In May 2015, member of the ECB's executive board Benoît Cœuré gave information on future bond purchases to an audience which included market operators at a time when such information was not publicly available. As this gave advantages to certain companies – those present at the meeting – it contradicts normal procedures.

It can be safely assumed that representatives of the private financial corporations represented in the G30 have a vested interest in information on future policy measures of the ECB, along the lines of the bond purchase policy explained by Benoît Cœuré at the meeting mentioned above. And this goes too for decisions related to supervision. Thus, the ECB's presence in the G30 presents too many opportunities for financial entities under supervision to gain insights into the supervision process that should remain confidential.

This begs the question whether the new attention to the risks when sharing confidential information – or prematurely disclose information to a limited audience – has spilled over properly to the supervisory board. The “Guiding Principles for external communication” cover only the Executive Board of the ECB, not the Supervisory Board. However, the “Code of Conduct for the members of the Supervisory Board” establishes professional secrecy in that it refers to Article 37 of the Statute of the ESCB, Article 27(1) of Regulation (EU) No 1024/2013 and Article 23a of the Rules of Procedure of the European Central Bank, pursuant to which members are required not to disclose confidential information, whether in public speeches or statements or to the media, with regard to supervisory decisions that have not yet been officially published” (article 14.1). None of these, however, give clear guidance.

Link to the Code of Conduct for the members of the Supervisory Board:

[https://www.ecb.europa.eu/ecb/legal/pdf/code\\_of\\_conduct\\_for\\_the\\_members\\_of\\_the\\_supervisory\\_board.pdf](https://www.ecb.europa.eu/ecb/legal/pdf/code_of_conduct_for_the_members_of_the_supervisory_board.pdf)

Beyond the question of confidentiality, the Code of Conduct for the members of the Executive Board, stresses that the board must carry out its tasks “free from undue political influence and from commercial interference that would affect their personal independence” (article 4). Furthermore, it stresses that they shall “avoid any situation which could give rise or may be perceived as giving rise to a conflict of interest” (article 9), shall accept invitations only if participation is “compatible with the fulfilment of their duties or is in the ECB’s interest” (article 11). On this basis we believe that the ECB's presence in the G30 presents too many opportunities for financial entities under

supervision to gain insights into the supervision process that should remain confidential.

We believe the participation of the ECB's Julie Dickson in the G30 working group is highly questionable.

## **2. The ECB is associated with G30 reports and recommendations**

Though it has been recognized by the Ombudsman and the ECB itself (see below), that it is risky for the President of the ECB to be associated with recommendations and analysis written by other members of the G30 – some of which are likely to be from a private bank – the G30 has adopted a praxis that strengthens the impression that its publications and statements have the support of the whole group, including the ECB President.

The clearest examples are two reports “A new paradigm – Financial institution boards and supervisors” (2013) and “Banking conduct and culture – a call for comprehensive reform” (2015), both of which cover areas under ECB competence, namely supervision. None of them carry a disclaimer similar to the ones used in previous years by the G30 (the two reports are attached). In earlier reports, a disclaimer would appear, typically with the following wording: “All members participated in their private individual capacities, and the views contained in the report are those of “the Working Group on Long-term Finance, not those of the institutions with which they are affiliated” (from the report “Long term finance and economic growth” (2013).

Moreover, the G30 now makes an effort to portray the reports as products of the entire group, not a working group or individual members, as with the press release on the report on “Banking Conduct and Culture”, which is presented with expressions such as “the G30 recommends a series of comprehensive reforms...” and “the G30 urges banks’ leaderships to challenge the conventional wisdom ...” and “the G30 concludes...”.

Link to the G30 press release on the report ”Banking Conduct and Culture”:

<http://www.prweb.com/releases/2015/07/prweb12873998.htm>

In sum, both the ECB President and a member of the supervisory board are associated with the report.

The report “A new paradigm” too, was presented as if it were a product of the G30 as a whole. The first sentence of the press release reads: “Far-reaching changes are now needed in the ways supervisors and the boards of directors of financial institutions work together to improve the safety and soundness of banks, stressed the Group of Thirty (G30) today.”

Link to the G30 press release on the report ”A New Paradigm”:

<http://www.prweb.com/releases/2013/10/prweb11270346.htm>

In other words there was no disclaimer, and the press release portrays the report as a joint effort of the group.

In addition , on occasion in the reports, views and analysis are stated on behalf of the whole group. Currently, the report “A new paradigm” is the clearest example:

- “Some supervisors have met periodically with board members and supervisors of major institutions to discuss expectations, how boards are operating, and other relevant matters. These were clearly welcomed by boards. The G30 supports this approach,” (page 13).

- “The G30 recommends that supervisors create centers of expertise in business model analysis and governance to assist supervisory teams,” (page 14).

- “In particular, the G30 believes that the principal international policy-making bodies, including the Basel Committee on Banking Supervision, the Financial Stability Board, and the International Monetary Fund, do not have adequate representation of senior supervisors in their policy-making committees and initiatives,” (Page 29)

- “The template presented in Appendix 2 contains illustrative questions based on the G30’s ten identified tasks for effective boards, as presented in the Effective Governance report,” (page 35).

### **3. The ECB risks association with problematic or debatable views of the G30 with implications for its reputation and its functions**

Views are expressed in the reports of G30 that are closely aligned with those expressed by financial corporations, but which seem inappropriate coming from the supervisory authorities. For example, in the report “Banking conduct and culture”, it is claimed that culture was key to the financial crisis, yet it is repeated many times that “supervising does not have a role in judging good culture” (page 54), that “more rules could prove counterproductive. Instead, sustainable cultures need to arise from, and be embedded in, banks’ DNA. Proper embedding led by the banks themselves is a more effective way to restore trust in the industry,” (page 55). In conclusion, “ultimately it should not be the regulator’s objective to judge an institution’s culture per se” (page 23). Taken together, this reflects a “self-regulation approach” that was always a hallmark of the G30, and which in the context of the ECB is questionable.

Also, it seems inappropriate for the G30 to state on behalf of all its members, as it does in this report that “enforcement authorities should review the tilt toward actions against entities rather than individuals, to ensure the desired incentive effects are being achieved” (page 15). Besides this blunt statement, the report hardly touches on the matter, so it is not clear what “the tilt” is about. Quite possibly, authorities have targeted institutions, and not just individuals, for good reasons. The private financial institutions themselves would clearly prefer such an approach promoted by the G30, in that it would put responsibility on individuals. The question is whether it would be suitable for enforcement authorities to hold back on holding institutions liable. The answer is certainly less straightforward for enforcement authorities than for financial institutions.

One particular recommendation in a G30 report deserves a special mention, as it seems to sharply contradict several rules of the ECB. It concerns the report with the title “A new paradigm – Financial institution Boards and Supervisors”. In the report, we find the following recommendation to supervisors:

“Assessment of strategies, business model, and risk vulnerabilities: Boards are increasingly focusing on helping to shape strategy, and on understanding how strategic decisions and risk appetite affect the firm’s sustainability, prudential standing, and ability to recover in a crisis. Robust discussions of these issues bring significant benefits to board members in understanding the bank

and discharging their responsibilities. Within a dual board structure, these are key responsibilities of the supervisory board. **They are also areas where supervisors can bring unique perspectives derived from their experience and analysis of peer situations and emerging trends within financial markets.**” (Our highlights)

This is quoted from the condensed list of recommendations in the report on the relationship between supervisors and financial institutions. Elsewhere in the same report, the matter is expanded on: “Board members report they benefit greatly from supervisors indicating where their institution stands vis-à-vis others. That is a powerful motivator for improvement, and adds to supervisors’ credibility. It is also useful to board members to have supervisory feedback of where the institution stands relative to the marketplace (‘we see you as being more/less aggressive than most in this area...’),” (page 28).

There are two risks attached to such a recommendation: the first is that of bringing in topics related to ECB policy of a confidential nature, the second is about the risk that ECB advice – drawing on “analysis of peer situations”, might provide the banks or other financial institutions in question with an unfair advantage. It may be the case, that none of this is implicit in the recommendation above, however, in the case of the ECB, it seems highly inappropriate that the bank is associated with such a recommendation without proper qualification.

Also, it is noteworthy, that in the following report from the G30, “Banking conduct and culture”, prepared with assistance from the ECB’s Julie Simpson, there are many references back to the above-mentioned report. On page 55 it reads: “Prudential supervisors are making progress on risk culture, with more to come. The recommendations presented in the G30 New Paradigm report (2013) about enhanced constructive interaction between supervisors and boards, progress in assessing governance, and having appropriate supervisory skills and resources, continue to be relevant.”

#### **4. It is not possible to monitor information given by ECB representatives at G30 meetings**

Following the incident in May 2015, when Benoît Cœuré gave information on future bond purchases to an audience that included bankers at a time when such information should have been kept secret, rules were introduced which are to prevent repetition. Furthermore, following media stories on separate, bilateral meetings between financial corporations and the ECB close to meetings where important decisions were to be made, the rules were adjusted once more to include such bilateral meetings.

Link to the “Guiding principles for external communication by members of the executive board”:  
<https://www.ecb.europa.eu/ecb/orga/transparency/html/eb-communications-guidelines.en.html>

However, the rules are not sufficiently strong and clear to meet the objectives – reinforcing rules on confidentiality - when it comes to the G30. According to the rules, “when considering invitations to speak at non-public events”, or “to accept bilateral meetings”, the members of the Executive Board will “ensure that no financial market-sensitive information is divulged”. Here, it is unclear whether this would cover the G30, but even if we assume that is the case, there is the question of checks and balances. The meetings of the G30 – the annual meetings as well as the “International Banking Seminars” take place in a confidential setting, and for that reason, it is unlikely that a representative of the ECB decision making bodies will be accompanied by “an ECB staff member” as suggested in

the rules.

### **What, in your view, should the institution or body do to put things right?**

The key documents that make up the ethical standards of the ECB, the members of the decision making bodies of the ECB are to abide by, stipulate that the reputation of the ECB must be safeguarded, its independence be unquestionable, and that conflicts of interest – apparent or real – must be avoided. Furthermore, the new rules on confidentiality reflect an awareness that specific disciplines are needed to safeguard the proper function of the ECB's monetary policies.

With this in mind, we believe mistakes have been made in the interaction with G30, which in the face of the lack of due diligence on the part of members of the ECB decision making bodies, require outside pressure to rectify.

The most effective response to this development would be for the members of the ECB decision-making bodies to refrain from participating at the non-public events of the group, and be dissociated completely from its statements.

The following additional measures are also available:

#### *1. A revision of the rules*

- The “Guiding principles for external communication by members of the Executive Board of the European Central Bank” must be changed to make it clear that meetings of the G30 are fully covered by the obligation to safeguard confidential information, as well as the necessary checks and balances such as including an accompanying ECB staff at meetings.
- The Supervisory Board must elaborate rules of at least the same quality as the Guiding Principles of the Executive Board.

#### *2. Steps towards the G30*

- The ECB must ensure that members of the decision-making bodies are in no way associated with the reports, recommendations or statements of the G30, unless they have given their explicit consent. This would require a change of praxis in the G30, and would at the very least require a clearly visible disclaimer in reports of working groups, and it would require a new approach to press work, including to press releases. In the absence of such consent, the G30 must ensure that all external communication clearly stresses that no ECB representative has expressed support. Should consent be given, it can only be in the event that the relevant recommendation or report is fully in line with ECB policies.

#### *3. Review of participation in G30 activities*

- The Governing Council of the ECB and the Supervisory Board must commission an investigation into the implications of participation in the G30, and collectively conclude whether it is in line with the high ethical standards the ECB claims to pursue. On that basis it should decide whether

members of the ECB's decision-making bodies can continue participating in the G30.

**Have you already contacted the EU institution or body concerned in order to obtain redress?**

Yes

Corporate Europe Observatory has been in touch the ECB on the matter many times, and in June 2012 we filed a complaint with the Ombudsman listing comprehensive correspondence with the ECB as part of the case file. This has since been followed up with a letter on the involvement of the ethical adviser or the ethical committee. Finally, in a letter sent in April 2016, I have asked specific questions about how the ECB has handled the questions raised above on the G30. Our concerns have not been taken seriously by the European Central Bank.

The letter was sent following the rejection by the Ombudsman of a complaint filed in February 2016. According to the Ombudsman, there had been insufficient exchange between myself and the ECB for me to draw conclusions. As the letter from the ECB, received approximately six months later, did not provide convincing arguments or other reassurance, we have decided to move forward again. In the following we will argue that when considering both the earlier complaint, the decision of the Ombudsman, and the exchanges on recent events, there is a basis for a renewed complaint.

*The first complaint*

It is, of course, relevant to elaborate on the decision of the former Ombudsman on the ECB and the G30. Had the matters above (association of ECB representatives with views of G30, the risks that participation in confidential meetings poses) been dealt with already, this complaint would not be justified. We maintain they have not. The incidents listed above prove that the members of the decision-making bodies have in fact done quite the opposite in taking the institution even closer to the G30, and the G30 on its part, has taken steps that make its publications appear even more the products of the full membership. Also, at the time of the complaint, the ECB had not yet been given the role of supervisor.

On top of that, the decision of the Ombudsman contains elements relevant to the present situation as described above.

In the main, the Ombudsman saw no reason to object to Draghi's membership of G30, and argued that "it is correct, and indeed necessary, for the members of the decision-making bodies of the ECB to take part in appropriate discussion fora" (point 81), and he found "nothing to suggest" that participation in the G30's activities would "compromise the independence and integrity of the ECB or of its President" (point 83).

We would argue that crucial parts of the Ombudsman's argument are affected by recent events. The G30 too has adjusted its procedures, and its main representatives are now more inclined to address the public on behalf of the whole group without disclaimers. On this point, the decision of the

Ombudsman is interesting, as it puts much emphasis on the “disclaimers” that could be found in reports from the G30 at the time. He said that “reports produced by other individuals, or by working groups in which the President of the ECB has not participated, do not in any way limit the independence of the President of the ECB” (point 75), in that he referred to said disclaimers. Further, the Ombudsman pointed out, that in the event that Mr. Draghi should be directly associated with a full report or with views expressed by the G30 or members thereof, the ECB President would not be able to claim he acted in “a private capacity”, as “the ECB could not reasonably expect citizens and other stakeholders to regard such a statement as credible if the subject-matter of a report related to the areas of responsibility of the ECB” (point 77).

According to this line of argument, the absence of disclaimers that have become a regular occurrence, would be unacceptable, as we understand it.

Another aspect of the decision too, is highly relevant for a re-assessment of ECB participation at G30 events. According to the previous decision, regular meetings and exchange of views with high-level representatives of the public and private sector” are essential for the ECB, as “such meetings and exchanges provide a highly valuable source of first-hand information about developments in the global economic and financial environment in which the ECB operates and allow it to develop an informed view of that environment. Such meetings also provide the ECB with a channel for communicating its policy measures (point 80).”

While it may be the case that ECB President Draghi or other ECB participants do acquire valuable information at G30 events, the controversial incidents reported by media in 2015 – both the incident with Benoît Cœuré in May, and later with articles in the Financial Times in November on other meetings with private financial institutions shortly before major decisions were to be made - make it clear that there are limits to what policy measures should be communicated at such events, particularly when such meetings are closed.

#### *The ECB’s assessment of the questions that have arisen since the original complaint*

The response from the ECB to a letter from CEO sent 13<sup>th</sup> of April 2016, was received six months later, on the 6<sup>th</sup> of October same year. In the letter, the ECB stresses, in a general remark, that the “compatibility of membership of the G30 with holding a position as high-ranking official at the ECB is not primarily a matter of formulation of the disclaimer for the Group’s reports, but above all a matter of the very nature of the Group”. In this regard, the ECB refers to the earlier assessment of the Ombudsman. This line of arguing has been used on other occasions. In a formal response to a question put to the ECB by MEP Fabio de Masi on Julie Dickson’s participation In the G30, Mario Draghi wrote that he believes it “is not primarily a matter of the formulation of the disclaimer for the Group’s reports, but foremost a matter of the very nature of the Group.” This “nature”, has been defined in the Ombudsman’s decision of February 2013, the ECB President says in his letter.

We believe that this use of the decision of the Ombudsman is unjustified. In his decision, the Ombudsman actually refers to the disclaimers as crucial proof that the ECB President cannot be considered a supporter of the analysis or recommendations of G30 reports. In the absence of disclaimers, the situation has changed. Also, the Ombudsman’s decision was written on the basis of the evidence presented at the time, and will thus have to be understood in context. Also, while the Ombudsman did not see a problem with the membership of the ECB President in the G30 group, that does not imply that the ECB’s ethical rules and standards are somehow rendered irrelevant.

The Ombudsman considered the participation in the G30 on the basis of specific evidence in a specific context. We would argue that today's evidence is different, and that the context has changed, in that the ECB has taken on new responsibilities, and in that the discussion on confidential information has come to the forefront in public debate.

The questions put to the ECB, mirrors the concerned explained above:

1. Will the ECB take action, or has the ECB already taken action to avoid association with reports, recommendations or statements of the G30?

The ECB maintains that membership “does not imply agreeing with all of its reports”, and as for Ms. Julie Simpson's association with a particular report, it is stated that she had the role of observer, and for that should not be associated with the views expressed in the report. The letter states that observers opinions are heard, but not necessarily reflected in a report. The observer, then, should be considered neutral. The letter provides no detailed opinion on Mr. Draghi's association with reports with no disclaimer, or reports portrayed as products of the G30 as a whole. In sum, the ECB dismisses the claim entirely, that there is a need for measures to avoid association with reports published by the G30. We believe, that though this position has been stressed in exchanges with CEO or with MEPs, the public and the press are led to believe the ECB is indeed associated with the views expressed in said reports, and that it is the duty of the ECB to take measures.

2. Has the ECB considered, or will the ECB consider in the near future, putting in place precautionary measures when members of the decision-making bodies participate at meetings of the G30, whether closed or not, such as requiring the person in question to be accompanied by an ECB staff member? Alternatively, has the ECB considered, or will it consider, simply barring the members of the decision-making bodies from participating at non-public events of the G30?

In its only relevant comment to this question, the ECB maintains that “members of the Executive Board” are aware of their responsibility”, and that members of the Supervisory Board act in strict compliance with the rules. It follows that the ECB sees no basis or need for precautionary measures. We think this is worrying, and could lead to damage to the reputation and integrity of the ECB.

3. Will the ECB modify its “Guiding principles for external communication” to ensure that meetings of the G30 are fully covered by these principles, or does the ECB consider the principles already apply to all G30 events?

The ECB answers that the principles apply in any case – that the document is nothing but “an explicit expression of the existing legal obligations regarding good governance”. However, it must be assumed the Guiding Principles does add more precision. A slight change to the guiding principles would underline the need to respect such principles at meetings of the G30. The ECB seems uninterested.

4. Will the ECB develop guiding principles for the Supervisory Board along the same lines as the principles that now apply to the members of the Executive Board?

The ECB sees no need for specifying existing rules on confidentiality when it comes to the Supervisory Board, and stresses that the principles on confidentiality apply in any case. But the reason why they have been further developed in the case of the Executive Board, we assume, is

because it has been regarded as necessary to underline and specify the obligations in the face of a violation of the rules. We find it strange that the specification of the rule shall apply only to one body associated with the violation.

In sum, the ECB sees no need to take measures regarding the participation of members of its decision making bodies in the work of the G30. It seems, the ECB does not even consider the matter worth looking into. Corporate Europe Observatory asked the ECB whether the G30 case had been presented to the ethical adviser or to the ethical committee. Had that been the case, it would have been a sign that the matter was taken seriously by the decision-making bodies, or indeed by the individuals in question. That proved not to be the case (letter attached).

The inevitable conclusion is that the ECB decision-making bodies do not see the risks associated with participation in G30 as a matter worth considering. We believe the conduct of the ECB is in violation of its own ethical rules.

If the complaint concerns work relationships with the EU institutions and bodies: have you used all the possibilities for internal administrative requests and complaints provided for in the Staff Regulations? If so, have the time limits for replies by the institutions already expired?

Not applicable

**Has the object of your complaint already been settled by a court or is it pending before a court?**

No

**Please confirm that you have read the information below**

**You have read the information note on data processing and confidentiality**

**Do you agree that your complaint may be passed on to another institution or body (European or national), if the European Ombudsman decides that he is not entitled to deal with it?**

Yes

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