

**GUIDELINE (EU) 2015/856 OF THE EUROPEAN CENTRAL BANK****of 12 March 2015****laying down the principles of an Ethics Framework for the Single Supervisory Mechanism  
(ECB/2015/12)**

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions <sup>(1)</sup> (hereinafter the 'SSM Regulation'), and in particular Article 6(1) in conjunction with Article 6(7) thereof,

Whereas:

- (1) The European Central Bank (ECB) attaches the utmost importance to a corporate governance approach that places accountability, transparency and the highest ethics standards at the centre of the Single Supervisory Mechanism (SSM). Adherence to these principles is a key element of the SSM's credibility and essential to securing the trust of European citizens.
- (2) Against this background, it is considered necessary to establish an ethics framework for the SSM laying down ethics standards the compliance with which safeguards its credibility and reputation as well as public confidence in the integrity and impartiality of the members of the bodies and staff members of the ECB and the national competent authorities (NCAs) of the Member States participating in the SSM (hereinafter the 'SSM Ethics Framework'). The SSM Ethics Framework should be composed of this Guideline laying down the principles, a set of best practices on how to implement these principles, and the internal rules and practices adopted by the ECB and each NCA.
- (3) Minimum standards concerning the prevention of misuse of inside information should reinforce the prevention of such misuse by members of the ECB's or NCAs' bodies or their staff members and exclude potential conflicts of interest arising from private financial transactions. For this purpose, the SSM Ethics Framework should clearly define the main concepts as well as the roles and responsibilities of the different bodies involved. Moreover, it should specify, beyond the general prohibition on misusing inside information, additional restrictions for persons having access to inside information. The SSM Ethics Framework should also lay down the requirements for compliance monitoring and the reporting of cases of non-compliance.
- (4) The SSM Ethics Framework should also include minimum standards concerning the avoidance of conflicts of interest and the acceptance of gifts and hospitality.
- (5) The SSM Ethics Framework should apply in the performance of the supervisory tasks. It is desirable that the ECB and the NCAs apply equivalent standards to staff members or external agents engaged in the performance of other tasks.
- (6) The provisions of this Guideline are without prejudice to the applicable national legislation. Where an NCA is prevented by reason of the applicable national legislation from implementing a provision of this Guideline, it should inform the ECB thereof. In addition, the NCA concerned should consider taking reasonable measures at its disposal to overcome the obstacle under national law.
- (7) The provisions of this Guideline are without prejudice to the Code of Conduct for the members of the Governing Council <sup>(2)</sup> and the Code of Conduct for the Members of the Supervisory Board <sup>(3)</sup>.
- (8) While the SSM Ethics Framework is limited to the performance of supervisory tasks, the Governing Council has adopted an equivalent ethics framework for the performance of Eurosystem tasks by the ECB and national central banks <sup>(4)</sup>,

<sup>(1)</sup> OJ L 287, 29.10.2013, p. 63.

<sup>(2)</sup> European Central Bank Code of Conduct for the members of the Governing Council (OJ C 123, 24.5.2002, p. 9).

<sup>(3)</sup> Code of Conduct for the Members of the Supervisory Board of the European Central Bank (OJ C 93, 20.3.2015, p. 2).

<sup>(4)</sup> Guideline (EU) 2015/855 of the European Central Bank of 12 March 2015 laying down the principles of a Eurosystem Ethics Framework and repealing Guideline ECB/2002/6 on minimum standards for the European Central Bank and national central banks when conducting monetary policy operations, foreign exchange operations with the ECB's foreign reserves and managing the ECB's foreign reserve assets (ECB/2015/11) (see page 23 of this Official Journal).

HAS ADOPTED THIS GUIDELINE:

## CHAPTER I

### GENERAL PROVISIONS

#### *Article 1*

#### **Definitions**

For the purposes of this Guideline:

- (1) 'national competent authority' (NCA) means a national competent authority as defined in point (2) of Article 2 of the SSM Regulation. This definition is without prejudice to arrangements under national law which assign certain supervisory tasks to a national central bank (NCB) not designated as an NCA. A reference to an NCA in this Guideline shall in this case apply as appropriate to the NCB for the tasks assigned to it by national law;
- (2) 'inside information' means any market sensitive information pertaining to the performance of supervisory tasks conferred on the ECB which has not been made public or is not accessible to the public;
- (3) 'market sensitive information' means information of a precise nature the publication of which is likely to have a significant effect on the prices of assets or prices in the financial markets;
- (4) 'insider' means any member of a body or staff member who has access to inside information other than on a one-off basis;
- (5) 'staff member' means any person who has an employment relationship with the ECB or an NCA with the exception of those that are solely entrusted with tasks not related to the performance of supervisory tasks under the SSM Regulation;
- (6) 'member of bodies' means the members of decision-making and other internal bodies of the ECB or the NCAs other than staff members;
- (7) 'financial corporations' has the same meaning as defined in Chapter 2, paragraph 2.55 of Regulation (EU) No 549/2013 of the European Parliament and of the Council <sup>(1)</sup>;
- (8) 'conflict of interest' means a situation where members of bodies or staff members have personal interests which may influence or appear to influence the impartial and objective performance of their duties.
- (9) 'personal interest' means any benefit or potential benefit, of a financial or non-financial nature, for the members of bodies or staff members, their family members and other relatives or for their circle of friends and close acquaintances;
- (10) 'advantage' means any gift, hospitality or other benefit of a financial or non-financial nature which objectively improves the financial, legal or personal situation of the recipient and to which the recipient is not otherwise entitled.

#### *Article 2*

#### **Scope of application**

1. This Guideline shall apply to the ECB and the NCAs in the performance of the supervisory tasks conferred on the ECB. In this regard, internal rules adopted by the ECB and the NCAs in the fulfilment of the provisions of this Guideline shall apply to the members of their bodies and to their staff members.
2. The ECB and the NCAs shall aim, to the extent legally feasible, to extend the obligations defined in implementation of the provisions of this Guideline to persons involved in the performance of supervisory tasks who are not staff members.
3. The provisions of this Guideline are without prejudice to the application by the ECB or the NCAs of more stringent ethics rules to the members of their bodies and staff members.

<sup>(1)</sup> Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

*Article 3***Roles and responsibilities**

1. The Governing Council lays down the principles of the SSM Ethics Framework in this Guideline and establishes best practices on how to implement these principles in view of its responsibility for determining the corporate and ethics culture at SSM level.
2. The Audit Committee, the Internal Auditors Committee and the Organisational Development Committee shall be involved in the application and monitoring of the Ethics Framework for the SSM in accordance with their respective mandates.
3. The ECB and the NCAs shall specify the roles and responsibilities of the bodies, units and staff members involved at local level in the implementation, application and monitoring of the Ethics Framework for the SSM.

*Article 4***Communication and raising awareness**

1. The ECB and the NCAs shall formulate their internal rules implementing this Guideline in a clear and transparent manner, communicate them to the members of their bodies and their staff members and ensure that they are easily accessible.
2. The ECB and the NCAs shall take appropriate measures to raise the awareness of the members of their bodies and their staff members so that they understand their obligations under the Ethics Framework for the SSM.

*Article 5***Compliance monitoring**

1. The ECB and the NCAs shall monitor compliance with the rules implementing this Guideline. The monitoring shall include, as appropriate, the conduct of regular and/or ad hoc compliance checks. The ECB and the NCAs shall establish adequate procedures to promptly respond to and address cases of non-compliance.
2. The monitoring of compliance shall be without prejudice to internal rules allowing for internal investigations where a member of a body or a staff member is suspected of having breached the rules implementing this Guideline.

*Article 6***Reporting of cases of non-compliance and follow-up**

1. The ECB and the NCAs shall adopt internal procedures for the reporting of cases of non-compliance with the rules implementing this Guideline including rules on whistleblowing in accordance with the applicable laws and regulations.
2. The ECB and the NCAs shall adopt measures to ensure the appropriate protection of persons reporting cases of non-compliance.
3. The ECB and the NCAs shall ensure that cases of non-compliance are followed-up, including as appropriate the imposition of proportionate disciplinary measures in accordance with the applicable disciplinary rules and procedures.
4. The ECB and the NCAs shall report any major incident related to non-compliance with the rules implementing this Guideline without undue delay via the Organisational Development Committee and the Supervisory Board to the Governing Council in accordance with the applicable internal procedures. In urgent cases, the ECB or an NCA may report a major incident related to non-compliance directly to the Governing Council. In any event, the ECB and NCAs shall inform the Audit Committee in parallel.

## CHAPTER II

**RULES ON THE PREVENTION OF MISUSE OF INSIDE INFORMATION***Article 7***General prohibition on misusing inside information**

1. The ECB and the NCAs shall ensure that the members of their bodies and their staff members are prohibited from misusing inside information.
2. The prohibition on misusing inside information shall cover, as a minimum: (a) the use of inside information for private transactions for one's own account or for the account of third parties; (b) the disclosure of inside information to any other person unless such disclosure is made in the course of carrying out professional duties on a need-to-know basis; and (c) the use of inside information in order to recommend or induce other persons to enter into private financial transactions.

*Article 8***Specific restrictions for insiders**

1. The ECB and the NCAs shall ensure that access to inside information is restricted to those members of bodies and staff members who need access to this information for the performance of their duties.
2. The ECB and the NCAs shall ensure that all insiders are subject to specific restrictions with regard to critical private financial transactions. A private financial transaction shall be deemed critical when it is or may be perceived to be closely related to the performance of supervisory tasks. The ECB and the NCAs shall establish in their internal rules a list of such critical transactions which shall include in particular:
  - (a) transactions in shares and bonds issued by financial corporations established in the Union,
  - (b) short-term trading, i.e. the purchase and subsequent sale or the sale and subsequent purchase of the same financial instrument within a specified reference period;
  - (c) transactions in derivatives related to the financial instruments listed under (a) and collective investment schemes the main purpose of which is to invest in such financial instruments.
3. The ECB and the NCAs shall adopt internal rules laying down the specific restrictions for insiders taking into account effectiveness, efficiency and proportionality considerations. Such specific restrictions may comprise any or a combination of the following:
  - (a) the prohibition of specific financial transactions;
  - (b) a prior authorisation requirement for specific financial transactions;
  - (c) an *ex-ante* or *ex-post* reporting requirement for specific financial transactions; and/or
  - (d) embargo periods for specific financial transactions.
4. The ECB and the NCAs may choose to apply these specific restrictions to staff members other than insiders.
5. The ECB and the NCAs shall ensure that their lists of critical private financial transactions may be adjusted at short notice to reflect the decisions of the Governing Council.
6. The ECB and the NCAs shall specify in their internal rules the conditions and safeguards under which members of bodies and staff members who entrust the management of their private financial transactions to an independent third party under a written asset management agreement are exempt from the specific restrictions laid down in this Article.

## CHAPTER III

**RULES ON THE AVOIDANCE OF CONFLICTS OF INTEREST***Article 9***Conflicts of interest**

1. The ECB and the NCAs shall have a mechanism in place to avoid a situation in which a candidate being considered for an appointment as a staff member has a conflict of interest resulting from previous occupational activities or from personal relationships.
2. The ECB and the NCAs shall adopt internal rules requiring the members of their bodies and their staff members to avoid during their employment any situation liable to give rise to a conflict of interest and to report such situations. The ECB and the NCAs shall ensure that, when a conflict of interest is reported, appropriate measures are available to avoid such conflict, including the relief from duties for the relevant matter.
3. The ECB and the NCAs shall have a mechanism in place to assess and avoid possible conflicts of interest arising from post-employment occupational activities undertaken by the members of their bodies and of their senior staff members reporting directly to the executive level.
4. The ECB and the NCAs shall, where relevant, have a mechanism in place to assess and avoid potential conflicts of interest arising from occupational activities undertaken by their staff members during unpaid leave.

## CHAPTER IV

**RULES ON THE ACCEPTANCE OF GIFTS AND HOSPITALITY***Article 10***Prohibition on receiving advantages**

1. The ECB and the NCAs shall adopt internal rules prohibiting the members of their bodies and their staff members from soliciting, receiving or accepting a promise related to receiving for themselves or any other person any advantage connected in any way with the performance of their official duties.
2. The ECB and the NCAs may specify in their internal rules exemptions from the prohibition laid down in paragraph 1 as regards advantages offered by central banks, Union institutions bodies or agencies, international organisations and government agencies, or as regards advantages of a customary or negligible value offered by the private sector provided in the latter case that these advantages are neither frequent nor from the same source. The ECB and the NCAs shall ensure that these exemptions do not influence or may not be perceived as influencing the independence and impartiality of the members of their bodies and of their staff members.
3. By way of derogation from paragraph 2, no exemptions shall be made for advantages offered by credit institutions to ECB or NCA staff members during on-site inspections or audit missions except hospitality of a negligible value offered during work-related meetings.

## CHAPTER V

**FINAL PROVISIONS***Article 11***Taking effect and implementation**

1. This Guideline shall take effect on the day of its notification to the NCAs.
2. The ECB and the NCAs shall take the necessary measures to implement and comply with this Guideline and apply them from 18 March 2016. NCAs shall inform the ECB of any obstacles for the implementation of this Guideline and shall notify the ECB of the texts and means relating to those measures by 18 January 2016 at the latest.

*Article 12***Reporting and review**

1. The NCAs shall report annually to the ECB on the implementation of this Guideline.
2. The Governing Council shall review this Guideline at least every three years.

*Article 13***Addressees**

This Guideline is addressed to the ECB and the NCAs.

Done at Frankfurt am Main, 12 March 2015.

*For the Governing Council of the ECB*  
*The President of the ECB*  
Mario DRAGHI

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