

THE ETHICS COMMITTEE

ECB/EC/24/15

ECB-PUBLIC

To the ECB President

2 September 2024

Subject: Opinion of Ethics Committee on a post-employment activity

Dear Madame Lagarde,

Mr Enria, former Chair of the Supervisory Board, notified the Ethics Committee, in accordance with Article 17.1 of the Code of Conduct for high-level ECB officials, of his wish to accept an additional role at the Bank of England (BoE), i.e. as Member of the Prudential Regulation Committee (PRC) of the Prudential Regulation Authority (PRA), once the decision on his appointment has been formalised by the BoE's Governor. Mr Enria has served at the PRA as Senior Advisor since June 2024 and the Ethics Committee has issued an opinion dated 23 April 2024¹, which had subsequently been endorsed by the Governing Council. Hence, Mr Enria's approved role at the PRA as Senior Advisor would be complemented by that of Member of the PRC.

When assessing Mr Enria's prospective employment at the PRA as Senior Advisor, the Ethics Committee took note of Mr Enria's self-commitment to abstain from participation in any decisions relating to the PRA's supervision of credit institutions, investment firms, insurance or re-insurance undertakings headquartered in the EU until 1 January 2025, i.e. for one year since relinquishing his responsibilities as Chair of the ECB Supervisory Board. This arrangement has subsequently also been formalised with the BoE/PRA.

Considering that this is a new role with the PRA and its nature, the Ethics Committee holds the view that it does not raise and could not be perceived as raising conflict of interest concerns. Hence, the Ethics Committee concludes that in this case no cooling-off period should be imposed.

Nonetheless, the time-limited recusal that had been formalised with the BoE, as a matter of extra prudence, when taking on his role as Senior Advisor, is even more pertinent in his future role as member of the PRC given its somewhat greater visibility and corresponding accountability requirements. The BoE/PRA confirmed that this safeguard will be extended to his additional role as Member of the PRC.

For the sake of good order, the Ethics Committee proposes to remind Mr Enria of the professional secrecy obligations applying beyond his term as Chair of the ECB Supervisory Board and of his duty to notify any potential new gainful occupational activity in the remainder of the two-year period from the end of his term of office at the ECB.

¹ EC/24/06 (Mr Enria, Senior Advisor at the PRA).

Finally, the Ethics Committee recalls that, in line with the transparency policy adopted by the Governing Council in July 2020, opinions on post-employment matters are, as a rule, published with a six-month delay. In this case, however, considering that the prospective role is that of a high-level official whose appointment is made public, the Ethics Committee recommends, in line with principles of good administration and transparency, that this opinion is published as soon as the appointment of Mr Enria as Member of the PRA has been made publicly communicated.

Moreover, the Ethics Committee notes that, in line with six-month delay set out in the transparency policy adopted by the Governing Council in July 2020, its previous opinion concerning Mr Enria's role as Senior Advisor at the PRA (EC/24/40) issued on 23 April 2024 is set for publication after 23 October 2024. However, considering the recommendation to waive the six-month period for the publication of this opinion and that the two opinions relate to two appointments at the PRA, the Ethics Committee recommends that the two opinions are published at the same time as soon as Mr Enria appointment as Member of the PRA has been made public.

With kind regards,

The Chairman of the Ethics Committee (Erkki Liikanen)

Cc: Ms C. Buch, Chair of the Supervisory Board