

## Decision on how the European Central Bank (ECB) deals with 'revolving door' cases (OI/1/2022/KR)

Decision

**Case** OI/1/2022/KR - **Opened on** 01/03/2022 - **Decision on** 26/10/2022 - **Institution concerned** European Central Bank ( No further inquiries justified ) |

The European Ombudsman has long identified 'revolving doors', whereby public officials move to the private sector, as a phenomenon that can potentially damage public trust if not managed properly.

This own-initiative inquiry sought to look at how the European Central Bank (ECB) deals with revolving door moves of its staff members.

Given the ECB's role in ensuring price stability and supervising financial and credit institutions, any moves by (former) ECB staff members to private financial or credit institutions, in particular those that fall under the ECB's supervision, can pose conflict of interest and reputational risks, and cause public disquiet.

The Ombudsman's inquiry assessed one specific case, which had raised public concerns, and also reviewed 26 cases of requests by staff members to take up occupational activities, either while on unpaid leave or after finishing work with the ECB. In all but one of the files reviewed ECB staff members moved to the private sector, including entities and banks that are under ECB supervision.

The Ombudsman concluded that the ECB should apply a more robust approach in relation to revolving door moves of its (former) middle ranking and senior staff to private sector jobs, in particular in the financial industry.

To address shortcomings that arose in the individual case and more generally in how the ECB tackles this challenge, the Ombudsman set out a series of suggestions on how the ECB can strengthen its rules, including in the context of the ongoing revision of the ECB's Ethics Framework.

Specifically, the ECB should widen the scope of those staff who are subject to stricter notification and/or cooling-off requirements or opt for a general minimum requirement for all staff akin to the provisions of the EU Staff Regulations related to post-service



occupational activities.

The ECB should also lengthen, from six months to one year, the prohibition on former senior ECB staff members lobbying their former colleagues.

The ECB should further improve its monitoring of the compliance of (former) staff members with their ethics obligations and conditions imposed by the ECB, for example by making public the conditions for authorising the post-employment activities of former senior staff members so that alleged breaches can be flagged.

The Ombudsman furthermore suggested that, where the ECB considers that a request from a staff member to take up an occupational activity while on unpaid leave poses risks that cannot be adequately mitigated by restrictions or when restrictions cannot be effectively monitored or enforced, it should not authorise such a request.

#### Background

- 1.** There is an increased public expectation and demand that public institutions comply with the highest possible standards of ethical conduct, transparency, legitimacy and accountability. For monetary and financial institutions, this has become particularly relevant since the financial crisis, and the widespread public concern about the relationship between the financial industry and regulators.
- 2.** Since the financial crisis, the European Central Bank (ECB) has gained significant supervisory responsibilities for credit institutions. In this context, it is of paramount importance that the ECB not only acts, but also is perceived to act, in full independence.
- 3.** When public officials leave the administration to take up positions in the private sector, they are described as going through the 'revolving door'. While (former) staff members have a fundamental right to engage in work after they leave the EU administration, this must be balanced against the risks that any such moves may pose to the interests of the EU institution and the public interest. There is also a need to take into account the public perception of such moves for the reputation of the EU administration.
- 4.** To address the challenge of revolving doors, the ECB has specific rules governing such moves, which are set out in the ECB Staff Rules. These include the ECB's Ethics Framework [1]. According to the Framework, ECB staff members must behave with integrity and discretion in any negotiations concerning prospective occupational activities. [2]
- 5.** When staff members intend to take up an occupational activity at the end of their service, and where the nature of the occupational duty may give rise to a conflict of interest, they must notify the ECB's Compliance and Governance Office (CGO). Some categories of staff, depending on their rank and duties, must provide minimum periods of notice, ranging from six months to two years prior to their intended departure. The ECB imposes



mandatory cooling-off periods on certain categories of staff. [3] The duration of the cooling-off period also depends on the rank and duties of the staff member concerned and ranges from three months to a maximum of two years.

**6.** When staff members intend to take up an occupational activity (that goes beyond a leisure activity) while on unpaid leave, they must get the prior written authorisation of the human resources department (DG HR). Such occupational activities may be authorised only if they do not in any way impair the performance of the staff member's professional duties towards the ECB and do not constitute a likely source of conflict of interest. Before issuing such an authorisation, DG HR consults with the CGO, which assesses any risk of a conflict of interest. Where the CGO has identified the risk of a conflict of interest, the CGO must identify measures to mitigate that risk and advise the line manager of those measures. Staff members on unpaid leave continue to be bound by the obligation not to undermine their professional independence and impartiality nor to harm the ECB's reputation. [4]

**7.** ECB staff must comply with the rules on confidentiality of information and seek authorisation to disclose such information whether within or outside the ECB. Former staff members continue to be bound by the duty not to disclose information that is subject to professional secrecy. [5] The violation of these obligations has serious consequences. The inquiry

**8.** In February 2022, an ECB economist took up employment with a private sector bank while on unpaid leave from the ECB. Following public concern about the ECB economist's role with the bank, including a media report on his activities, which were perceived as being directly related to his ECB duties, he withdrew his request for unpaid leave and resigned from the ECB.

**9.** Against this background, the Ombudsman opened an own-initiative inquiry into revolving doors at the ECB. [6] In particular, the inquiry looked into:

a) How the ECB dealt with the specific request for authorisation from the ECB staff member to take up employment with a private sector bank while on unpaid leave.

b) More generally, how the ECB dealt with requests by mid-level and senior ECB staff members to take up occupational activities either while on unpaid leave or after having left the ECB.

**10.** In the course of the inquiry, the Ombudsman's inquiry team inspected the ECB's file on the individual case, and examined a detailed overview of information concerning the temporary or permanent moves of other mid-level or senior ECB staff members in 2020 and 2021. The inquiry team also met with relevant ECB representatives to discuss the inspection and other matters arising from the inquiry. [7]

**11.** In the inspection meeting, the ECB representatives indicated that the ECB is in the process of reviewing its Ethics Framework [8] and that it would welcome feedback from the Ombudsman in this regard. The inquiry therefore also included an assessment of the



relevant rules and how they may be improved.  
How the ECB dealt with the request of its staff member

## Arguments presented by the ECB

**12.** The case concerned a request from an ECB economist to take up a job with a private sector bank while on unpaid leave. Under the applicable rules, ECB staff must secure prior authorisation to engage in activities that are of an occupational nature or go otherwise beyond what can be reasonably considered a leisure activity. This authorisation may be granted for a maximum of five years. [9] Such an activity must not in any way impair the performance of the staff member's professional duties towards the ECB and must not constitute a likely source of conflict of interest [10].

**13.** On 12 October 2021, the ECB economist applied for authorisation to the ECB's DG HR. As part of the CGO's assessment of whether the leave would give rise to a conflict of interest, it noted that the prospective employer in this case is an entity under the ECB's supervision. The CGO initially expressed doubt as to whether the application could or should be authorised while the staff member was on unpaid leave. However, as the staff member had not been involved in supervisory activities in the ECB, but rather worked at expert level contributing to specific research aspects on monetary policy, the fact that the employer was a supervised entity of the ECB was ultimately not considered relevant.

**14.** In assessing the conflict of interest risk, the CGO considered the nature of the staff member's tasks with the ECB and the proposed future tasks, as set out in the request [11]. The CGO noted that the staff member did not have tasks with the ECB that were directly related to the prospective employer, and that he would not have close professional contacts with the ECB in the prospective job. The CGO further noted that the staff member was not subject to a cooling-off period, given that his rank was below managerial and that he was not involved in supervisory work. Finally, the CGO consulted with the staff member's line manager, who had endorsed the staff member's application for authorisation for unpaid leave.

**15.** As the staff member had notified the ECB of his intention to take up the occupational activity well in advance, the ECB was in a position to take measures to mitigate any actual or potential conflicts of interest more than three months before his departure. At the beginning of October, the line manager removed the staff member's access rights to information related to monetary policy, so as not to give any competitive advantage to the prospective employer. On 22 October 2022, prior to DG HR's approval of the request, the ECB revoked his access to classified information [12].

**16.** The ECB also considered whether there was a risk of a **perceived** conflict of interest and determined that any such risk was sufficiently mitigated because:

- Within the financial sector, it would be generally understood that the ECB would have taken the necessary proactive mitigating measures, as is standard practice.
- ECB staff members are under strict confidentiality requirements, the violation of which



has serious consequences.

- The ECB's Staff Rules, including the Ethics Framework, are available to the public.

**17.** Based on these elements, and consistent with previous decisions, the CGO decided that there was no risk of a conflict of interest.

**18.** The ECB's DG HR approved the request, as it deemed the experience that the staff member would gain while in the job would be of relevance to the ECB, and that the move would not impact the ECB's work and operations.

**19.** After the authorisation had been granted, the ECB became aware that the actual tasks of the staff member were different from those described in the initial request. According to a media report and a social media post, the staff member would not only be giving a general outlook on the European economy, but also a forecast for future monetary policy decisions. This meant that he would be working more specifically on subjects that would directly fall within the ECB's competence.

**20.** Given this change in circumstances, the ECB sought clarification of the nature of the tasks being carried out by the ECB staff member with the bank. On 22 March 2022, the staff member withdrew his request for unpaid leave and resigned from the ECB.

## The Ombudsman's assessment

**21.** The Ombudsman notes that the ECB relied upon the staff member's description of the intended job rather than a description of tasks prepared by the prospective employer. The CGO obtained the formal job description from the bank only on 8 March 2022. The Ombudsman considers that, had the official job description been submitted in October 2021, it could reasonably have influenced the decision to authorise the unpaid leave request. [13] **The Ombudsman will make a corresponding suggestion to the ECB below.**

**22.** Concerns about the ECB staff member's move to the bank were raised on social media on 1 February 2022. Further concerns were raised in public on 7 and 9 February 2022, following a media report that the private sector bank had shared with clients a note on the ECB Governing Council's meeting of 3 February 2022 that was co-authored by the ECB staff member.

**23.** The CGO said that it became aware of the concerns raised in the initial social media post only on 1 March 2022. It then asked for a copy of the official job description from the bank on 4 March 2022. [14] The Ombudsman's view is that this resulted in a delay reassessing the nature of the staff member's activities with the private sector bank while on leave. **The Ombudsman will make a corresponding suggestion below.**

**24.** The Ombudsman acknowledges that the ECB applied mitigating measures three



months in advance of the staff member's move, with a view to ensuring the staff member did not have access to any sensitive information. The ECB also subsequently assessed the note sent by the private bank to its clients. It did so to verify that the staff member had not breached his professional secrecy obligations.

**25.** The Ombudsman takes the view, however, that the ECB could have done more proactively to dispel any concerns as regards whether the move complied with its ethics rules. While financial industry insiders may generally be aware of how the ECB operates, the public may lack this understanding. For example, the ECB could have immediately addressed publicly:

- the concern that confidential information was used in the note of 7 February; and
- the fact that it had applied mitigating measures to address risks of conflicts of interest, three months prior to the staff member's departure.

**The Ombudsman will make a corresponding suggestion below.**

2020 and 2021 revolving door cases

## **Arguments presented by the ECB**

**26.** The right to engage in work is a fundamental right and any limitation of this right must comply with the principle of proportionality. The ECB takes very seriously the need to manage conflicts of interest arising from post-employment activities and occupational activities during unpaid leave. In so doing, it considers the full spectrum of mitigating measures. Where it identifies risks, it aims to adopt measures that mitigate those risks adequately and that are proportionate. This can include temporary prohibitions on taking up new positions.

**27.** The ECB considers that staff can develop their skillset by taking up positions outside the ECB. The ECB does not automatically rule out specific types of occupational activities during unpaid leave, but rather seeks to evaluate the risks and to treat similar cases equally. In assessing staff requests, the ECB takes the seniority of the staff member into account in determining the conditions or mitigating measure that it proposes.

**28.** The ECB Staff Rules describe the types of potential employers for occupational activities undertaken while on unpaid leave, namely: national central banks; national supervisory authorities within the Single Supervisory Mechanism; EU institutions, bodies, offices or agencies; other international organisations. Where its DG HR considers the experience to be gained as a result of the period of employment or self-employment as relevant for the ECB, potential employers can also include: academic institutions; the private sector; or national public sector or inter-governmental organisations other than those mentioned above. [15]

**29.** The Ombudsman inquiry looked at 26 cases of ECB staff that took up occupational activities after leaving the ECB either temporarily (during unpaid leave) or permanently. [16]



**30.** For both 2020 and 2021, two out of thirteen cases concerned requests for authorisation of an occupational activity in the private sector while on unpaid leave involving middle-ranking staff. All other requests concerned authorisation for post-mandate occupational activities, where staff members left the ECB permanently.

**31.** Nine out of thirteen cases in 2020 and eight out of thirteen cases in 2021 involved the staff member being required to notify the ECB some time in advance of the potential start date. In each of the two years reviewed, there was one case subject to a mandatory cooling-off period, meaning that the person could not take up the position in question for three months after having left the ECB. In 2020, three cases were subject to an internalised cooling-off period (where staff members took up annual leave/parental leave or were re-assigned to non-critical tasks for example) but none in 2021. In total, nine cases were subject to mitigating measures while the staff member was still in service, for example through the removal of access rights to sensitive information, or through reassignment to non-critical tasks. In three of these nine cases, the staff member was not subject to a cooling-off period.

**32.** The vast majority of requests by staff to take up new posts are notified in a timely manner so that the ECB can address any potential risks and adopt mitigating measures, if and when necessary. [17] The ECB seeks to raise awareness of this, including through seminars and online training.

**33.** The ECB does not proactively monitor compliance with conditions it sets out in decisions to authorise requests to take up occupational activities. However, it follows up with staff members concerned if it is made aware of alleged breaches. Former staff members are obliged to notify any intention to change their occupational status for the duration of the applicable cooling-off period.

## **The Ombudsman's assessment**

**34.** In all but one of the files reviewed in this inquiry ECB staff members (at various levels) moved to the private sector, whether on a temporary or permanent basis. This included taking up posts in entities and banks that are under ECB supervision.

**35.** The cases reviewed did not include ECB staff members asking to work for a national regulator or supervisor, an EU body or another public authority. [18] Between 2020 and 2021, all four of the staff members requesting unpaid leave to take up occupational activities went to the private sector. Aside from the individual case of the economist covered by this inquiry, other cases included moves to a data and trading platform provider, a financial technology company and a large investment management company.

**36.** ECB staff members can clearly be attractive for private sector employers, particularly in the financial sector, because of their contacts, expertise and knowledge. In order to



mitigate the risks of conflicts of interest linked to such moves, the ECB relied heavily on measures while the staff members were still ECB employees (such as limiting access to certain information or reassignments to non-critical activities). In 2020 and 2021, only one departing staff member was subject to a mandatory cooling-off period after leaving the ECB.

**37.** In its assessment, the CGO relies on the timing of the notification of the staff member concerned. Staff members must notify the CGO when discussions concerning prospective occupational activities are at an advanced stage and, in any case, before they make a decision on whether to accept the job. The Ombudsman notes that the ECB has issued interpretative guidelines to staff on post-service occupational activities. These interpretative guidelines include that a staff member should notify the CGO “ *once concrete negotiations concerning the prospective occupational activity document the potential interest of the prospective employer in hiring the staff member if it may lead to a conflict of interest* ”. The Ombudsman is of the view that this guideline on the timing of notifications should apply to both scenarios of where ECB staff move temporarily or permanently from the ECB and should be reflected in the terms of the ECB’s Ethics Framework.

**38.** The fact that ECB staff members, if they move, do so predominantly to the private sector increases the risk of conflicts of interest. This increased risk should be taken into account in the assessment of applications by ECB managers, the CGO, and DG HR. This could for example include proposing sufficiently long cooling-off periods, or measures to address the risks to reputation and duty of loyalty of staff on unpaid leave. In this context, the ECB should ensure that the restrictions it imposes are adequate and can be monitored and enforced. When a request to take up an activity poses risks that cannot be adequately mitigated by restrictions or when restrictions cannot be effectively monitored or enforced, the ECB should not authorise staff members from taking up such activities while on unpaid leave. **The Ombudsman will make a corresponding suggestion below .**

Revision of the ECB Ethics Framework

**39.** The Ethics Framework sets out the ethical requirements and obligations on ECB staff [19] , and applies to all ECB staff including those that are seconded and those on temporary contracts. [20] The Ethics Framework sets out, amongst other things , specific rules for ensuring the independence of its staff as regards conflicts of interest [21] , external activities [22] , and post-employment restrictions [23] .

**40.** The ECB consulted the Ombudsman in 2014 when it revised its Ethics Framework. [24] The Ombudsman said that the ECB needed to ensure and demonstrate that its staff discharge their functions with the highest degree of professionalism and integrity, and stressed the need to pay particular attention to the ECB’s rules and policies in the area of ethics. The Ombudsman also expressed concern that the cooling-off periods applied only to jobs with credit institutions under ECB supervision, where the staff member was directly involved in the supervision of that entity or a direct competitor. This risked resulting in such staff members being able to join other private sector entities (such as consultancy firms) without any cooling-off period.





**41.** The ECB is in the process of reviewing its Ethics Framework [25] , with the review expected to be finalised in 2023. In the context of this inquiry, the ECB invited the Ombudsman to make proposals to improve the ECB Ethics Framework. The Ombudsman welcomed this opportunity and is making suggestions relating to those parts of the Ethics Framework that are covered by this inquiry.

**42.** The Ethics Framework takes account of the distinct roles of the ECB as regards: (i) monetary policy and (ii) supervisory tasks. [26] It places a specific emphasis on ensuring the independence of its staff and those involved in its decision making in relation to its supervisory tasks. There are different requirements regarding notice and cooling-off periods depending on: (i) whether the tasks of the individual involve supervision, (ii) their role or grade within the ECB and (iii) the nature of the prospective employer. The Ombudsman's understanding is that, under the existing framework, those periods can only be waived, reduced or extended, but not imposed. [27]

**43.** Transitional allowances [28] may be paid to former staff members who, at the end of their employment with the ECB, are prohibited from taking up a specific occupational activity. Such allowances are paid if the former staff members cannot find a suitable alternative and, as a result, are unemployed.

**44.** Based on the inquiry, the Ombudsman notes that staff members who are subject to short notification and/or cooling-off periods (based on their grade or duties), or to none at all, may nonetheless be at risk of conflicts of interest and/or reputational concerns, when they temporarily or permanently leave the ECB. The ECB may agree voluntary cooling-off periods with such staff members. The ECB may also internalise a cooling-off period while staff members are still at the ECB, or take other mitigating measures, for example by removing access rights to non-public information, or by re-assigning staff members to non-critical tasks. However, these measures have their limitations. For example, whether adequate mitigating measures can be taken when the staff member is still in the ECB's service depends on the timing of the notification.

**45.** The Ombudsman also notes that the ECB's rules provide for shorter timelines for possible prohibitions on lobbying former colleagues than those provided for in Article 16 of the EU Staff Regulations (six months for senior ECB staff compared to one year for senior staff covered by the EU Staff Regulations). [29] While the nature of the lobbying activities may differ at the level of the ECB given its specific responsibilities, the Ombudsman believes the ECB should take a more prudent approach.

**46. The Ombudsman is of the view that the ECB could strengthen its Ethics Framework and makes corresponding suggestions to the ECB below.**

Conclusions

Based on the inquiry, the Ombudsman closes this case with the following conclusions:

**The ECB should apply a more robust approach in relation to revolving door moves of its middle ranking and senior staff to private sector jobs, in particular in the financial**



industry, either while on unpaid leave from the ECB or upon their departure or retirement.

**As the ECB is currently in the process of reviewing its Ethics Framework, the Ombudsman closes the inquiry by concluding that no further inquiries are justified at this stage.**

The ECB will be informed of this decision .

Suggestions for improvement

**1. The ECB should ask staff members to submit a formal description of their tasks with their prospective employer in their requests to take up an external activity while on unpaid leave or as a post-employment activity.**

**2. The ECB should develop measures to monitor the compliance of (former) staff members with their ethics obligations and/or conditions imposed by the ECB.**

**3. The ECB should assess, on a case-by-case basis, whether proactive communication would be useful where concerns are raised publicly.**

**4. Where the ECB considers that a request from a staff member to take up an occupational activity while on unpaid leave poses risks that cannot be adequately mitigated by restrictions or when restrictions cannot be effectively monitored or enforced, it should not authorise such a request.**

In the context of the revision of the ECB Ethics Framework, the ECB should consider:

**5. Widening the scope of staff members who are subject to stricter notification and/or cooling-off requirements or otherwise apply a general minimum requirement for all staff akin to the provisions of the Staff Regulations related to post-service occupational activities.**

**6. Increasing to twelve months the prohibition on former senior ECB staff members lobbying their former colleagues, and instructing current ECB staff to avoid preferential treatment of former colleagues.**

**7. Whether it is in the spirit of the ECB's ethics rules that staff members on leave may take up positions in private firms in the financial sector. If the practice is continued, the ECB should reflect on how it can better deal with risks of conflicts of interest and risks both to the ECB's reputation and the staff members' duty of loyalty.**

**8. Making the authorisation of occupational activities of staff on leave or former staff conditional on the new employer making public the conditions imposed by the ECB. At a minimum, former staff members, and those on leave, should be required to notify their new employer of the mitigation measures in the authorisation imposed by the ECB, as well as their continuing duty not to disclose information that is subject to professional secrecy.**



**9. Making public the conditions for authorising the post-employment activities of former senior staff members.**

**10. Bringing the definition of conflicts of interest in section III of the Ethics Framework in line with other parts of the ECB's legal framework. Currently the definition in section III does not refer to 'actual' conflicts of interest but only to possible and perceived conflicts.**

Emily O'Reilly

European Ombudsman

Strasbourg, 26/10/2022

Annex 1: Relevant provisions in the Ethics Framework  
**ECB Staff - Ethics Framework**

### **External Activities**

#### **Ex-post occupation activities**

##### **Rule**

Members of staff shall obtain written authorisation **before engaging in an external activity** that is of an occupational nature or goes otherwise beyond what can be reasonably considered a leisure activity.

##### **Rule**

Members of staff **shall inform the CGO if the nature of the occupational activity may lead to a conflict of interest** with the professional duties of the member of staff.

##### **Procedure**

**DG-HR**, after **consulting (i) the CGO** (assessment of risk of COI) and (ii) **the relevant line managers**, shall grant such authorisation if:

(a) the external activity **does not in any way impair the performance** of the member of staff's **professional duties** towards the ECB and:

(b) **does not constitute a likely source of conflict of interest**.



## Procedure

Current staff (all levels):

**The CGO assesses if there is a conflict of interest** . If there is, the **CGO shall inform and advise the responsible line manager with regard to the appropriate measures** to be initiated to mitigate the conflict of interest, including, if necessary, relieving of the member of staff from responsibility for the relevant matter.

**Certain current and former staff** must notify the CGO **before accepting any occupational activity** (length of period depends on rank and duties)

## Term/Conditions

### Conditions:

As per authorisation + based on the information provided in the request of the staff member.

Such authorisation shall be granted for a maximum of five years at a time.

The conduct of members of staff **shall neither undermine their professional independence and impartiality nor harm the ECB's reputation.**

### They shall:

(i)

perform their duties conscientiously, **honestly and without regard to self-interest** or national interests;

(ii)

**avoid situations that give or may be perceived to give rise to conflicts of interest** , including those arising from subsequent occupational activities;

(iii)

a **dhere** to the highest standards of **professional ethics and act with loyalty** to the Union and the ECB.

Members of staff **shall continue to be bound by these obligations while on leave** from the ECB.



## **Term and conditions:**

**Mandatory cooling-off periods** for certain staff depending on rank and duties (max 2 years) that may be waived, reduced or extended by the Executive Board.

Staff shall refrain, even after their duties have ceased, from making unauthorised disclosure of any information that they have received in the performance of their duties, unless that information has already been made public.

Annex 2: Timeline individual case

### **Date**

#### **Actions of the ECB**

#### **Actions of the ECB staff member**

##### **Prior to 12 October 2021**

The staff member's line manager removed the staff member from an information circuit related to monetary policy.

Had exchanges with his management and DG HR about his intention to take up employment with the bank while on unpaid leave.

##### **12 October 2021**

Compliance and Governance Office (CGO) started assessment of the staff member's request.

Informed the CGO of his request for leave for mobility to take up a job with a private sector bank, and asks for their input from an ethics perspective.

##### **15 October 2021**

CGO asked staff member for further information.

Replied to the request for further information.

CGO called the staff member for further clarification. Having obtained clarifications, the CGO concluded that the staff member had no tasks at the ECB that relate to the prospective employer and that the staff member would not have any contact with the ECB in the prospective job.

##### **22 October 2021**



CGO wrote to the staff member's line manager, to confirm the staff member's tasks at the ECB as well as at the prospective employer.

The line manager gave confirmation in a telephone call, adding that the staff member's removal from monetary policy data was important in order not to give any competitive advantage to the prospective employer, acknowledging that the information in question loses importance with time.

### **22 October 2021**

ECB revoked the staff member's access to classified information.

### **25 October 2021**

CGO wrote to the staff member that the conditions for taking on the prospective job with the bank while on leave were fulfilled from an ethics perspective, because he: 1. did not have tasks that relate to the prospective employer;

2. would not have close professional contacts with the ECB in the prospective job;
3. was not subject to a cooling-off period;
4. would be leading a team of economists that provides research based on which the bank will develop a view on the likely evolution of the European economy.

CGO agreed with the preventive measures to revoke access to information related to the formulation of recommendations for monetary policy, to avoid any suspicion of privileged access to information about possible Governing Council decisions.

### **28 October 2021**

DG HR approved request for unpaid leave.

### **1 February 2022**

Started new occupation at the bank while on leave from the ECB.

Published social media post indicating the start of the new employment, which overlapped with previous tasks at ECB.

### **3 February 2022**

ECB Governing Council meeting



## **7 February 2022**

Co-authored a note for the bank, commenting on the ECB Governing Council meeting of 3 February 2022.

## **1 March 2022**

CGO is made aware of staff member's social media post of 1 February 2022

## **2 March**

### **2022**

CGO and line manager of staff member discuss the social media post that included a task description that seemed at variance with the description provided in the request for authorisation of unpaid leave.

## **3 - 8 March 2022**

CGO exchanged with staff member's new employer to obtain the official task description

## **14 -21 March 2022**

CGO exchanged with staff member's new employer to discuss issues related to ECB's unpaid leave regime.

## **22 March 2022**

Withdrew the unpaid leave request and resigned from the ECB.

[1] The new Ethics Framework replaces Part 0 of the ECB Staff Rules (published in the OJ on the 6 November 2020). The Staff Rules themselves were updated on 1 May 2022. These rules, and thus the framework, apply to all ECB staff including seconded and contract staff. See:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020XB1106%2801%29>

[2] See annex 1 for an overview of relevant provisions from the ECB's Ethics Framework.

[3] See Part 0.2.8.3 of the Staff Rules.

[4] Idem.

[5] The Ethics framework requires ECB staff to comply with its rules on management and



confidentiality of information and to seek authorisation to disclosure such information whether within or outside the ECB. See Part 0.3.1 of the Staff Rules.

[6] See the opening letter here:

<https://www.ombudsman.europa.eu/en/opening-summary/en/153041> .

[7] See the inspection meeting report here:

<https://www.ombudsman.europa.eu/en/doc/inspection-report/en/160592> .

[8] More information: <https://www.ecb.europa.eu/ecb/orga/ethics/html/index.en.html>

[9] Authorisation is not required for external activities that are (i) unremunerated, (ii) in the domain of culture, science, education, sport, charity, religion, social or other benevolent work, and (iii) not related to the ECB or the staff member's professional duties at the ECB. Certain exceptions also apply as regards trade unions and public office.

[10] A conflict of interest is defined as a situation where staff members have personal interests that may influence or appear to influence the impartial and objective performance of their professional duties. Personal interests are defined as any benefit or potential benefit, of a financial or non-financial nature, for staff members, their family members, their other relatives or their circle of friends and close acquaintances. See Part 0.2.1 of the Staff Rules.

[11] The prospective job was described as leading a team of economists that would provide research based on which the prospective employer would develop a view on the likely evolution of the European economy.

[12] Information marked 'Secret' or 'Confidential', according to the ECB's classification system.

[13] See the annex I for a timeline of the individual case.

[14] Idem.

[15] See: Article 5.12.1a (b) of the ECB Staff Rules.

[16] The overview is divided between managerial positions (ECB salary bands I and above) as well as middle ranking but non-managerial positions (ECB salary bands F/G to H) who work for the Banking Supervision Departments , both of which are subject to formal cooling off periods, and per directorate-general and directorate. There were 13 cases in 2020 and 13 in 2021.

[17] See Article 0.2.8.1 in the ECB Staff Rules, which sets the framework for 'Negotiating prospective occupational activities'.





[18] In both 2020 and 2021 there were two cases of staff members from a national central bank or competent authority who were seconded temporarily to the ECB and who notified the ECB that they intend to take up employment in the private sector.

[19] In the most recent revision, Section III Part 0 of the ECB Staff Rules (published in the Official Journal of the EU on 6 November 2020) was replaced. The Staff Rules themselves were updated on 1 May 2022. See:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020XB1106%2801%29>

[20] See annex 2 for a summary of the Ethics Framework

[21] See Part 0.2.1 of the Staff Rules.

[22] See Part 0.2.6 of the Staff Rules.

[23] See Part 0.2.8 of the Staff Rules

[24] See the European Ombudsman Staff Working Paper on the revision of the ECB's Ethics Framework, here: <https://www.ombudsman.europa.eu/en/letter/en/60111>

[26] See annex 2 for relevant legal references.

[27] This means that staff that is not covered by a mandatory cooling off period in the Ethics Framework, cannot be subjected to a mandatory cooling off period by the ECB after their departure. In contrast, the Staff Regulations, under Article 16, leaves the option of a (temporary) prohibition to the discretion of the Institution, when a job could conflict with its legitimate interests and is related to the work carried out by the former official during the last three years of service.

[28] See Article 36a of Part I and Article 31a of Part II of the Ethics Framework of the ECB which provides that where a staff member is '*prohibited as a result of their cooling-off period from taking up a specific occupational activity and who cannot find a suitable alternative occupational activity and are as a result unemployed*' that member receives a tapering special monthly allowance equal to 80% of the last basic salary for the first year, 60% for the year thereafter.

[29] See Article 0.2.8.3 (f) of the Staff Rules.