



## Response from the European Ombudsman to correspondence from the President of the European Central Bank outlining steps to improve ECB transparency

Letter - 03/12/2015

Mr Mario Draghi President European Central Bank Eurotower Kaiserstraße 29 60311 Frankfurt am Main ALLEMAGNE

Strasbourg, 3/12/2015

Re: Recent steps to improve ECB transparency, following my letter of 27 May 2015

Dear Mr President,

Thank you for your correspondence, dated 10 June 2015 and 6 October 2015, in which you set out a number of steps taken to avoid any risk of potentially market-sensitive information being shared with restricted audiences or any perception of privileged treatment being given to certain interest groups or event organisers.

I would like to begin by welcoming the steps you have taken. The adoption of ' *Guiding principles for external communication by members of the Executive Board* ' is key to ensuring that the public interest is protected when members of the Board agree to external speaking engagements.

Please allow me, in the spirit of constructive engagement, to make two remarks in relation to the ' *Guiding principles* ':

**1:** The principles set out that members of the Executive Board should refrain from offering to any institution, company or person " *who could derive profit from such information* " personal views relating to future monetary policy that have not been expressed publicly. I understand that the purpose of the wording in quotations is to ensure that there is still scope for Board members to engage meaningfully with and to exchange ideas with relevant actors, notably public institutions and academics, so as to inform and enrich their thinking as they seek to devise the most effective monetary policies. I urge the ECB to take great care when carrying out such limited consultations.

**2:** Regarding the provision that, as a matter of principle, and where practical, an ECB staff member should be present at bilateral meetings, I would like to suggest that, only in



exceptional cases, should meetings be held without a staff member present. The ECB should also reflect on how best to document meetings which may impact upon its decision-making.

One of the purposes of the speaking engagement guidelines is to ensure that Board members accept invitations from a wide variety of organisations and do not always address the same ones. In my view, the same rationale that applies to meetings with groups of persons should apply to bilateral meetings. I was, therefore, most encouraged to learn that, on 30 October 2015, the ECB announced that it would, from Spring 2016, publish a list of meetings of Board members with a three-month time lag. In the press statement I issued to welcome the speaking engagement guidelines, I mentioned the importance of ensuring maximum transparency around meetings and contacts held by Executive Board members. Transparency is key to helping ensure that no particular financial entity gains privileged access to information and to decision-makers.

Finally, I understand that, just today, the ECB has agreed to extend the quiet period principle that Executive Board members apply to their speeches and public remarks, [1] with the result that Executive Board members will not meet nor talk to the media, market participants or other outside interests on monetary policy matters during that period. I am aware that some central banks prohibit meetings with "*outside interests*" in the week leading up to policy announcements. [2] Given the immense responsibility vested in the ECB, my view is that it is only reasonable to expect the ECB to lead the field on all aspects of good governance. I therefore particularly welcome this latest development.

The commendable speed with which the ECB has introduced these changes underscores your commitment to good governance and your determination to safeguard the public interest. I do not underestimate the effort required on your part and that of your services to act so quickly and decisively.

I look forward to further positive engagement on these matters and on other issues.

Yours sincerely,

Emily O'Reilly

[1] See '*Guiding principles for external communication by members of the Executive Board*' on the ECB website, updated 3 December 2015 :

*" Third, the members of the Executive Board re-affirm their adherence to the quiet period principle, whereby speeches and public remarks, given in the seven days prior to each scheduled monetary policy meeting of the Governing Council, should not be such as to influence expectations about forthcoming monetary policy decisions. Similarly, the members of the Executive Board will not meet nor talk to the media, market participants or other outside interests on*



monetary policy matters during that period and should immediately notify both the communications and compliance functions of the ECB if they inadvertently do so. "

[2] See, for example, Bank of England (BoE), Code of Conduct for Monetary Policy Committee (MPC) Members, 21.5.2015,  
<http://www.bankofengland.co.uk/monetarypolicy/Documents/mpccoc.pdf>

*" During the period from the pre  $\pi$  MPC meeting to midnight on the Thursday of the policy announcement, MPC members must not give speeches on monetary policy matters or meet or talk to the media or other outside interests, on or off the record, on such matters. In particular, MPC members must avoid arranging off the record contacts with the media, including lunches, dinners and other meetings, during this period".*