

Ms Emily O'Reilly
European Ombudsman
1, avenue du Président Robert Schuman
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ECB-PUBLIC

Frankfurt am Main, 10 June 2015

LS/MD/15/373

Re: speech delivered by a member of the ECB Executive Board on 18 May 2015

Dear Ms O'Reilly,

I am grateful for your letter dated 27 May 2015, as it provides a welcome opportunity to shed some light on a matter that unfortunately has caused a number of misunderstandings. Allow me first to clearly state the facts and thereby rectify any misperception regarding what happened on 18-19 May 2015.

Benoît Coeuré, member of the Executive Board of the ECB with responsibility for market operations, i.e. for the implementation of the ECB's monetary policy, gave a speech at a conference organised jointly by the Imperial College Business School/Brevar Howard Centre for Financial Analysis, Centre for Economic Policy Research and the Swiss National Bank in London on the evening of 18 May 2015. On this occasion, Mr Coeuré stated inter alia that *"we are [...] aware of seasonal patterns in fixed-income market activity with the traditional holiday period from mid-July to August characterised by notably lower market liquidity. The Eurosystem is taking this into account in the implementation of its expanded asset purchase programme by moderately frontloading its purchase activity in May and June [...] The slightly higher purchase volume that market analysts may observe in the coming weeks is therefore unrelated to the recent episode of market volatility."*

First, I want to draw your attention to the fact that the ECB has been very transparent on its expanded purchase programme and on the volumes to be purchased. Indeed, the ECB reports its purchases via its website on a weekly basis (i.e. each Monday at 3.45 p.m.). Based on the data covering the first part of May, which was released in the afternoons of 11 and 18 May 2015, i.e. before the speech in London, the start of the moderate frontloading of purchases in May (and to be continued in June) was already clearly visible, and thus publicly available information, and there was no acceleration in the purchases path in the second half of May relative to these revealed slightly higher volumes (see annex).

Moreover, a moderate frontloading, i.e. a slight adjustment of the purchase path to avoid possible market tensions in August (with an unchanged total amount of purchases over the entire period), obviously does not constitute a change in the ECB's policy stance and could therefore not be interpreted as an announcement of a change in the ECB's policy stance.

Second, while the speech was meant to be published on the ECB's website that evening, it only went live the following morning owing to an internal procedural error. Specifically, internal miscommunication at an operational level on the timing of its publication during out-of-office hours explains the delayed release. The ECB has reviewed its related operational procedures in order to prevent a repeat of such an error. There will be extra internal checks and balances to ensure timely publication takes place.

Third and finally, I wish to emphasise that interaction with the public is a primary condition for ensuring the effectiveness of the ECB policies. As a European institution, the ECB maintains open, transparent and regular dialogues with representative associations and civil society. Direct exchanges with the general public as well as with specialised audiences form an essential part of the ECB's communication policy and offer an opportunity to share and debate issues of relevance to the work of the ECB. They are integral to its transparency policy, through which the ECB effectively responds to its obligations with regard to accountability and good governance.

These dialogues may also involve participation in non-public events, as long as the participation of the members of the Executive Board in the event is compatible with the fulfilment of their duties and in the interest of the ECB. It thus is an effective means supporting the ECB in adequately discharging its mandate, i.e. to fulfil its Treaty obligation to formulate and conduct the single monetary policy in the interest of euro area citizens.

By no means do the members of the Executive Board use or intend to use non-public events to disclose any market sensitive or confidential information. Such information is not released outside of the established and foreseen communication channels of the ECB. In fact, members of the Executive Board are subject to a number of rules explicitly stipulating their related obligations, including professional secrecy.

Finally, as I announced at last week's press conference, the Executive Board has taken your request for clarification as a trigger for further steps to be taken that improve the transparency of the ECB's communication channels. The Executive Board will present results shortly.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mario Draghi', is positioned at the bottom right of the page.

Annex

Overview of ECB's weekly Public Sector Purchase Programme purchases: April-June 2015

Date of publication (at 15:45 CET)	Reference week (Settlement days**)	PSPP holdings (in EUR bn)	PSPP purchases settled (in EUR bn)**
07/04/2015*	30.03.15 - 03.04.15	52.5	11.5
13/04/2015	06.04.15 - 10.04.15	61.7	9.2
20/04/2015	13.04.15 - 17.04.15	73.3	11.6
27/04/2015	20.04.15 - 24.04.15	85.0	11.7
04/05/2015	27.04.15 - 01.05.15	95.1	10.0
11/05/2015	04.05.15 - 08.05.15	108.7	13.7
18/05/2015	11.05.15 - 15.05.15	122.4	13.7
25/05/2015	18.05.15 - 22.05.15	134.2	11.8
01/06/2015	25.05.15 - 29.05.15	146.7	12.5
08/06/2015	01.06.15 - 05.06.15	159.6	12.9

* Due to the TARGET holiday on Monday, 06.04.2015, the data was published the day after.

** Settlement occurs two days after purchases – published weekly amounts refer to what has been settled in the previous reference week