

THE ETHICS COMMITTEE

[ECB/EC/20/3]

ECB-PUBLIC

(TRANSMITTED ON 5 AUGUST 2020)

Mr Māris Kālis
ECB Supervisory Board member
Deputy Governor of Central Bank of Latvia

Subject: Notification of a potential conflict of interest – Ethics Committee Opinion

Dear Mr Kālis,

Thank you for your letter, dated 29 July 2020, notifying – in line with the requirements of the Single Code of Conduct – a potential conflict of interest that may arise in relation to your participation in the decision-making of the ECB Supervisory Board in light of your funds in a current bank account with two significant credit institutions, which are directly supervised by the ECB. In line with good administration, we have registered your notification.

Having reviewed the information provided, the Ethics Committee understands that mitigation measures are already in place at Latvijas Banka, i.e. that you are not involved in any issues related to the respective credit institutions at national level and that you consider your participation at ECB level in any decision-making in relation to these entities might be perceived as impairing your impartiality and objectivity.

The Ethics Committee acknowledges your commitment to matters of good governance. Given that representatives of Latvijas Banka participate in Supervisory Board meetings without having any voting rights, and also taking into account that the extent and nature of your involvement in those banks falls below the threshold requiring reporting in your ECB Declaration of Interests, the Ethics Committee considers that your above-mentioned financial involvement in these entities does not give rise to conflict of interest concerns under Article 11 of the Single Code of Conduct. Having said that, the Ethics Committee considers it opportune to mirror the safeguards already in place at national level for Supervisory Board deliberations on matters directly related to the entities in question and any of their subsidiaries. This serves the purpose of accommodating the stricter national requirements and thereby complementing their meaningful implementation at the level of the Supervisory Board. *In praxi* this means that, until the national restrictions cease, you should neither be granted access to documents relating to the two significant credit institutions in question nor participate in discussions and deliberations (in meetings or written procedures).

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The Secretary of the Ethics Committee will inform the Secretary of the Supervisory Board accordingly.

With best regards,

Chair of the ECB Ethics Committee (Patrick Honohan)

Cc: A. Enria, Chair of the Supervisory Board
P. Teixeira, Secretary to the Supervisory Board