

THE ETHICS COMMITTEE  
[ECB/EC/20/4]

**ECB-PUBLIC**  
(TRANSMITTED ON 5 AUGUST 2020)

Mr Mārtiņš Kazāks  
Member of the ECB Governing Council  
Governor of Central Bank of Latvia

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

Dear Mr Kazāks,

Thank you for your letter, dated 31 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 Governing Council in light of your funds in a current account with a significant credit institution which is 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 institution at national level and that you consider your participation at ECB level in any decision-making in relation to this entity might be perceived as impairing your impartiality and objectivity.

The Ethics Committee acknowledges your commitment to matters of good governance. Given that the extent and nature of your involvement in this bank falls below the threshold requiring reporting in your ECB Declaration of Interests, the Ethics Committee considers that your above-mentioned financial involvement in this entity 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 Governing Council deliberations on matters directly related to the entity in question and any of its subsidiaries. This serves the purpose of accommodating the stricter national requirements and thereby complementing their meaningful implementation at the level of the Governing Council. *In praxi* this means that, until the national restrictions cease, you should neither be granted access to documents relating to the significant credit institution in question nor participate in discussions and deliberations nor exercise any voting rights (in meetings or written procedures).

**ECB-PUBLIC**

The Secretary of the Ethics Committee will inform the Secretary of the Governing Council accordingly.

With best regards,

Chair of the ECB Ethics Committee (Patrick Honohan)

Cc: Ms Lagarde, ECB President  
Ms Senkovic, Secretary to the Governing Council