

Christine LAGARDE
President

(TRANSMITTED ON 12 NOVEMBER 2019)

Mr Peter Praet
Former member of the ECB Governing Council and Executive Board

**Subject: Notification envisaged post-employment activity – Governing Council
Letter**

Dear Mr Praet,

I refer to your correspondence, dated 9 October 2019, by which you notified your intention to set up a company having the objective of delivering speeches with immediate effect and providing macroeconomic advice to financial firms after the end of the respective cooling-off period.

Having obtained and considered the opinion of the Ethics Committee, I should like to inform you that the members of the Governing Council share the view that as to the delivery of speeches, the Single Code is silent on this question. Still, it would see merit in former high-level officials exercising judgment in accepting such engagements in the first months after the end of their term of office.

In assessing your intention to provide macroeconomic advice to financial firms, the members of the Governing Council took into account that you will neither join a supervised credit institution nor another financial institution, i.e. not entering into an employment relationship¹. A contrario, you intend to provide consultancy services to such institutions – a constellation to be subsumed under Article 17.1(c). Hence, the Governing Council wished to clarify that the Single Code requires Governing Council and Executive Board members to abstain from any gainful occupational activity for a period of six months from the end of their term of office when providing consultancy services to supervised credit institutions or any other financial institution. Therefore, a six months cooling-off period is applicable. Such cooling-off period was deemed appropriate to sufficiently mitigate possible conflict of interest concerns.

For the sake of completeness, the Ethics Committee deemed it important to remind former high-level officials about their professional secrecy obligations applying beyond their term as member

¹ In line with Articles 17.1(a) and (b) of the Code Conduct for High-level ECB Officials (Single Code).

of the Governing Council and the Executive Board² and of their duty to notify any new occupational activity for a period of two years from the end of your term.

With best regards,

ECB President (Christine Lagarde)

Cc: Mr Honohan, Chairman of the ECB Ethics Committee

² In line with Article 339 of the Treaty on the Functioning of the European Union, Article 37 of the Statute of the European System of Central Banks and of the European Central Bank and Article 4 of the Single Code.