

THE ETHICS COMMITTEE

[ECB/EC/20/2]

ECB-PUBLIC

(TRANSMITTED ON 25 JUNE 2020)

Ms Kristīne Černaja-Mežmale
Member of the Board of the Financial and Capital Market Commission

Subject: Notification of a potential conflict of interest and a gainful occupational activityⁱ of a family member – Ethics Committee Opinion

Dear Ms Černaja-Mežmale,

Thank you for your correspondence, dated 16 June 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 ECB Supervisory Board in light of your previous professional activity with Swedbank AS, a significant Latvian credit institution directly supervised by the ECB (case 1); and the gainful occupational activity of your spouse with the same credit institution (case 2). In line with good administration, we have registered your notification.

Having reviewed the information provided, the Ethics Committee understands that in view of your previous professional activity with Swedbank (case 1) you de facto abstained from participating in any decision-making in relation to that entity at the level of the ECB Supervisory Board since it might be perceived as impairing your impartiality and objectivity and that similar mitigation measures are in place also at the Financial and Capital Market Commission.

The Ethics Committee acknowledges your commitment to matters of good governance. It would like to note, however, that the application of an abstention period (for this purpose, the Ethics Committee applies the cooling-off periods in the Single Code of Conduct when taking up their functions as high-level ECB Officials) has already expired, given that you joined the Financial and Capital Market Commission more than a year ago. Consequently, the Ethics Committee considers that your previous professional activity (case 1) does not give rise to conflict of interest concerns under Article 11 of the Single Code of Conduct.

Having said that, the Ethics Committee does consider that the gainful occupational activity of your spouse with the same credit institution (case 2) – even though not in a senior position – could indeed create possible public perceptions that personal interests may negatively influence the impartial and objective performance of your tasks as Supervisory Board member. Thus, the Ethics Committee considers it opportune to formally mirror the safeguards already in place at national level for Supervisory Board deliberations on matters directly related to the entity in question and any of its subsidiaries. *In praxi* this

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means that, you should neither be granted access to Swedbank-related documents nor participate in discussions and deliberations nor exercise any voting rights (in meetings or written procedures).

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

Finally, the Ethics Committee takes good note of the submission of your accordingly updated Declaration of Interests, which should be replaced on the ECB's website in the next days.

With best regards,

Chair of the ECB Ethics Committee (Patrick Honohan)

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

Disclaimer: In accordance with applicable data protection legislation, parts containing personal data of third parties have been redacted from these opinions, together with any information that would make the data subjects identifiable, unless the information has been published in the Declaration of Interests.