

THE ETHICS COMMITTEE

**ECB-PUBLIC**

[ECB/EC/21/1]

(TRANSMITTED ON 5 JANUARY 2021)

Mr François Villeroy de Galhau  
Member of the ECB Governing Council  
Governor of Banque de France

**Subject: Notification of a gainful occupational activity<sup>1</sup> of a family member that may raise conflict-of-interest concerns – Ethics Committee Opinion**

Dear Mr Villeroy de Galhau,

Thank you for your letter, dated 22 December 2020, notifying the gainful occupational activity of your family member with a French financial holding that qualifies as less-significant institution (LSI) under the supervision of the French national competent authority, i.e. the ACPR<sup>2</sup>.

The Ethics Committee acknowledges your proactive notification thereby demonstrating your understanding of the relevance of the ECB's ethics and integrity rules and your level of awareness of the risks arising from conflicts of interest constellations. In line with good administration, we have registered your notification.

Having taken into account that, first, the professional activities of your family member do not relate to banking stricto sensu, but to M&A and Strategic Advisory, and, second, the financial holding is not directly supervised by the ECB, the Ethics Committee nevertheless sees merit in putting in place some basic mitigation measures should any matters directly relating to the (SSM-supervised) LSI in question be discussed/considered by the Governing Council. To this end and to effectively mitigate possible public perceptions that personal interests may negatively influence the impartial and objective performance of your role as Governing Council member, the Ethics Committee recommends that in such cases you shall neither be granted access to 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 Governing Council accordingly.

Furthermore, the Ethics Committee has taken good note of your commitment as regards respecting your professional secrecy obligations.

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<sup>1</sup> 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.

<sup>2</sup> Autorité de contrôle prudentiel et de résolution.

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With the above safeguards being adhered to and implemented and with the implementation being properly recorded (e.g. in the relevant proceedings of the Governing Council), the Ethics Committee is confident that related reputational risks are being effectively and satisfactorily addressed.

The Ethics Committee wishes to emphasise that the above assessment applies exclusively to your role as a member of the ECB Governing Council and is without prejudice to the application of rules which you may be subject to by virtue of your function as Governor of the Banque de France.

In line with the transparency policy adopted by the Governing Council in July 2020, opinions by the Ethics Committee on conflict of interest matters will, as a rule, be published with a sixth-month delay.

With best regards,

Chair of the ECB Ethics Committee (Patrick Honohan)

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