

Christine LAGARDE
President

(TRANSMITTED ON 25 SEPTEMBER 2020)

Mr Klaus Kumpfmüller
Former alternate member of the ECB Supervisory Board
Former Member of the Executive Board of Österreichische Finanzmarktaufsicht

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

Dear Mr Kumpfmüller,

I refer to the notification concerning your intention to take up the positions of Deputy Chairman of the Supervisory Boards of (i) Kepler-Fonds Kapitalanlagegesellschaft m.b.H., an asset management company which is licensed and supervised by the FMA; (ii) WAG Wohnungsanlagen Gesellschaft m.b.H.; and (iii) EBS Wohnungsgesellschaft m.b.H. Linz, the latter two companies both active in the real estate sector. Furthermore, these three positions are directly linked to your position as CEO of HYPO Oberösterreich (Oberösterreichische Landesbank Aktiengesellschaft), a less-significant Austrian credit institution, for which the Governing Council - based on an opinion of the Ethics Committee - decided on a six-month cooling-off period¹ thereby limiting its assessment to your role as alternate member of the ECB Supervisory Board but without prejudging likely stricter requirements applicable under national rules.

Having obtained and considered the opinion of the Ethics Committee, the members of the Governing Council observe that overall, given that your position with the ECB Supervisory Board has ended in January 2020, the cooling-off period applicable in these cases as a consequence of your responsibilities with the ECB has already been observed.

Regarding the prospective role with the asset management company, the Governing Council notes that the Single Code² stipulates that alternate members of the ECB Supervisory Board may engage in a gainful occupational activity with any other financial institution not being a significant or less significant credit institution after the expiry of a period of three months from the end of their duties and responsibilities as alternate members. The Governing Council takes note that you have relinquished your duties and taken leave on 13 January 2020 with access to sensitive SSM supervisory information being withdrawn with effect of 14 January 2020 and concludes that the applicable three-month cooling-off period has already been observed. Hence, it agrees with the

¹ Transmitted via a letter dated 31 January 2020.

² In line with Article 17.2 (b) of the Code Conduct for High-level ECB Officials (Single Code).

Ethics Committee's consideration that your intention to take on this position more than three months from the end of your term as alternate member of the ECB Supervisory Board, as compatible with the provisions of the Single Code.

As to the prospective roles with the two real estate companies, the Governing Council also agrees with the Ethics Committee that such roles do not raise and could not be perceived to raise conflict of interest concerns given that the ECB Supervisory Board has no supervisory role over real estate companies. Hence, no cooling-off period is applicable to you in these two cases.

In making its assessment, the Governing Council also took into account that the three companies are owned by the Oberoesterreichische Landesbank. Nevertheless, given the separate legal personalities and distinct fields of operation of the three companies, both the Ethics Committee and the Governing Council did not consider it necessary to equate these to moves to a credit institution, triggering a six-month cooling-off period³. In any event, you would join the three companies more than six months after you have relinquished your duties.

At the same time the Governing Council wishes to emphasise that the above assessment applies exclusively to your former role as alternate member of the ECB Supervisory Board and is without prejudice to the application of potentially stricter national rules which you may be subject to by virtue of your former functions at the FMA, namely in view of your possible involvement in the supervision of any of the three companies in question.

For the sake of completeness, I should like to use this opportunity to remind you of your professional secrecy obligations applying beyond your term as alternate member of the ECB Supervisory Board⁴ and of your duty to notify any potential new occupational activity for a period of one year from the end of your term.

With best regards,

ECB President (Christine Lagarde)

Cc: Mr Enria, Chairman of the Supervisory Board
Mr Honohan, Chairman of the ECB Ethics Committee
Mr Holzmann, Governor of the Oesterreichische Nationalbank
Mr Lejsek, Ministry of Finance of the Government of Austria

³ In line with Article 17.1 (a) of the Single Code.

⁴ 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, Article 27 (1) of Council Regulation (EU) No 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, Article 4 of the Single Code and Article 54 of the Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.