

The Problem

ECBs core business does not take EU Fundamental Rights into account

- All banks of the Eurozone have to get credit from the ECB.
- ECB provides credit only against collateral.
- The volume of the “eligible marketable assets” for use as collateral is 13.980,9 Billion €¹. => Very large influence on the EU single market and EU citizens.
- ECB’s **eligibility criteria** for collateral and other assets **do not include compliance with the European Charter of Fundamental Rights.**
=> Ethical blindness of financial market for EU values.
- ESG-controversy scans prove, that 20 %² of the ECBs “eligible marketable assets” are **involved in severe ethical controversies!**
=> ECB is part of **financing** companies that are defecting fundamental rights.
=> This stabilizes and **enhances unethical business practices in the EU.**

The Solution

Include compliance with EU Fundamental Rights into eligibility criteria for assets that the ECB can own

- It is already the duty of the ECB as an EU institution to respect fundamental rights all-encompassing in its business conduct
 - Art. 6 (1) TEU: unconditional legal binding nature of the Charter
 - Art. 51/52 Charter: unconditional legal binding for the ECB
- **The TFEU does not grant independence of the EU Charter of Fundamental rights!** Respecting fundamental rights is just an existing regulatory MUST for all EU institutions. Fundamental rights are the limits of all actions, also for the ECBs actions.
- **Respecting fundamental rights does not violate the institutional independence of the ECB,** is no political instruction and is not a matter of exclusive competence on monetary policy!
- You are the Guardians of the Charter of Fundamental Rights: **Please help the ECB to comply with European values.**

¹ Source: ECB, Data of 10/2019

² Data source for 2017/2018: oekom for 2019: vigeo eiris & imug bond sonar

Comments to the reply of the European Commission

- “The Commission cannot take further action as the petition is related to policy areas where the ECB has exclusive competence and is granted independence by the TFEU.”
- ⇒ **No EU institution is independent of Fundamental Rights! The Commission can define eligibility criteria guidelines** for compliance with EU Fundamental Rights.
- “The petition should be addressed to the ECB.”
- ⇒ **Petitions are a matter for the petition committee.** In their answer, the ECB urges political authorities (= the petition committee) to “define, agree and promote” ethical minimum standards to implement in their everyday work.
- “Moreover, it has to be kept in mind that the ECB is accountable for its policies, including through regular reporting and dialogue with the European Parliament (Article 284 TFEU).”
- ⇒ **It should become a standard that the ECB reports on fundamental rights compliance to the Parliament regularly.**

Comments to the reply of the ECB

- The ECB is aware of the effects of their assets purchase and collateral eligibility: they talk about positive effects by buying good (ecological) assets and therefore know about the negative effects as well. **The ECB even asks for regulation in these aspects in their answer!**

Summary

- The Lisbon Treaties make the EU Charter of Fundamental Rights a directly applicable primary law in all European institutions. All the ECB's operations as a European institution must therefore comply with the codified values of the Charter of Fundamental Rights. The ECB's response to the petition shows that she is waiting for political action.
- **Please** - the European Parliament, as guardian of fundamental rights, must act based on this petition and persuade the Commission & ECB to finally remedy the biggest systemic error in the European financial market system, on behalf of all those who have stood up for the EU Charter of Fundamental Rights until today!