



## **The Court annuls the decision suspending the Governor of the Central Bank of Latvia from office**

*Latvia has not adduced evidence of the serious misconduct imputed to the governor of its central bank*

By decision of 19 February 2018, the Korupcijas novēršanas un apkarošanas birojs (Anti-Corruption Office, Latvia) adopted several measures in respect of Mr Ilmārs Rimšēvičs, Governor of Latvijas Banka (the Central Bank of Latvia), including a prohibition on performing his duties as Governor of the Central Bank of Latvia, an obligation to pay a surety and a prohibition on leaving the country without prior authorisation. Those measures were temporarily imposed on Mr Rimšēvičs in the context of a preliminary criminal investigation concerning acts of bribery and corruption which the person concerned is suspected of committing.

The actions brought by Mr Rimšēvičs (C-202/18) and the European Central Bank (C-238/18) against that decision are **the first cases which the Court of Justice is hearing on the basis of the jurisdiction conferred on it by the second subparagraph of Article 14.2 of the Statute of the European System of Central Banks and of the European Central Bank<sup>1</sup>** ('the Statute of the ESCB and of the ECB') **to review decisions relieving the governors of the central banks of the Member States from office.**

The conferring of that jurisdiction on the Court is intended to guarantee the independence of the governors of the national central banks, who are certainly national authorities but who act within the framework of the ESCB. Where those governors are at the head of a central bank of a Member State whose currency is the euro, such as Latvia, they also sit on the Governing Council of the ECB.

In today's judgment, the Court finds, first of all, that a prohibition, even a temporary one as in the present case, on a governor of a national central bank performing his duties is a relieving from office for the purposes of the second subparagraph of Article 14.2 of the Statute of the ESCB and of the ECB and that it is therefore for the Court to review the lawfulness of that prohibition. Next, the judgment states that the action referred to in the second subparagraph of Article 14.2 of the Statute of the ESCB and of the ECB has as its purpose the annulment by the Court of an act of national law taken for the purpose of relieving a governor of a national central bank from office. That action thus derogates from the general distribution of powers between the national courts and the courts of the EU as provided for by the Treaties and in particular by Article 263 TFEU. Lastly, the Court examines the merits of the actions.

In that regard, the Court specifies that it is not for the Court, when an action is brought before it on the basis of the second subparagraph of Article 14.2 of the Statute of the ESCB and of the ECB, to take the place of the national courts having jurisdiction to give a ruling on the criminal liability of the governor involved, nor even to interfere with the preliminary criminal investigation being conducted in respect of that person by the competent administrative or judicial authorities. The Court notes that it may be necessary to decide to suspend the governor concerned temporarily from office for

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<sup>1</sup> Protocol No 4 on the Statute of the European System of Central Banks (ESCB) and of the European Central Bank (ECB) appended to the TEU and to the TFEU (OJ 2016 C 202, p. 230).

the purposes of such an investigation, and in particular in order to prevent that person from obstructing that investigation.

**By contrast, it is for the Court, in the context of the powers conferred on it by the second subparagraph of Article 14.2 of the Statute of the ESCB and of the ECB, to verify that the decision to relieve a governor of a national central bank from office is taken only if there are sufficient indications that he has engaged in serious misconduct capable of justifying such a measure.**

Mr Rimšēvičs has maintained before the Court that he has not committed any of the offences of which he is accused and that, like the ECB, he considers that Latvia has not adduced the slightest evidence of those offences. The Court notes that, during the written procedure before it, Latvia did not provide any prima facie evidence of the accusations of bribery which were the basis for the adoption of the decision at issue.

In addition, at the hearing, the President of the Court requested the representatives of Latvia to communicate to the Court, within a short period, the documents supporting the decision at issue. However, none of the documents produced by Latvia following the hearing contains any evidence capable of establishing the existence of sufficient indications as regards whether the accusations made against Mr Rimšēvičs are well founded.

**Consequently, the Court holds that Latvia has not established that the relieving of Mr Rimšēvičs from office is based on the existence of sufficient indications that he has engaged in serious misconduct** for the purposes of the second subparagraph of Article 14.2 of the Statute of the ESCB and of the ECB.

**The Court therefore annuls the decision at issue in so far as it prohibits Mr Rimšēvičs from performing his duties as Governor of the Central Bank of Latvia.**

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The [full text](#) of the judgment is published on the CURIA website on the day of delivery.

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