

**Question for written answer P-001585/2014
to the Commission
Rule 117
Jürgen Klute (GUE/NGL)**

Subject: Current threats to the independence of the Central Bank of Cyprus

Following my participation in the ECON ad hoc delegation to Cyprus in January 2014, I received notice about a worrying conflict between the President of the Republic of Cyprus and the Governor of the Central Bank of Cyprus.

According to my information, President Anastasiades has been exerting constant and undue pressure on Central Bank Governor Demetriades in an effort to exercise direct influence on the Central Bank's decisions. President Anastasiades has issued official press statements and given media interviews discrediting the Governor's technical and personal reputation. Among other things, Governor Demetriades has been criticised by the President of the Republic of Cyprus for the time needed to fulfil his tasks as a member of the ECB's Governing Council.

The independence of the Central Bank of Cyprus is a principle anchored in the Cypriot constitution. Similarly, the EU treaties do not allow government representatives to misuse their power in order to exert influence over central bank decisions. For precisely this reason, the President of the ECB is appointed for eight years with no option for a second mandate.

1. Is the Commission aware of the abovementioned repeated threats to the independence of the Central Bank of Cyprus?
2. Has the Commission, as guardian of the Treaties, taken any action in this case or asked for explanations from the Cypriot government or the President of the Republic of Cyprus?
3. If so, does the Commission consider the answers received so far to be satisfactory or does it believe that it is necessary to continue to monitor the situation? If not, is the Commission planning to investigate this case and in what timeframe?
4. Does the Commission consider political interference in the Central Bank of Cyprus and Governor Demetriades' mandate to be helpful in overcoming Cyprus' financial crisis and in restoring investor confidence?