

**Code of Conduct**

**for**

**Members of the Central Bank Commission**

## **Code of Conduct for Members of the Central Bank Commission**

### **List of Contents**

1. Applicability of the Code.....	2
2. General Conduct .....	2
3. Confidentiality .....	3
4. Conflicts of Interests and Disclosure of Interests .....	4
5. Market Abuse and Trading .....	6
6. Taking up of External Appointments.....	7
7. Gifts and Business Hospitality .....	7
8. Acknowledgement .....	8

## **1. Applicability of the Code**

This Code applies to all members of the Central Bank Commission (Commission) and underlines the Commission's commitment to the highest standards of ethical conduct. The Code was adopted at the Commission meeting of 24 October 2012 and will be reviewed at least bi-annually.

The objectives of the Code are:

- to prevent the development or acceptance of unethical practices;
- to promote confidence and trust in the Commission.

The Code has been prepared to assist the members of the Commission in understanding their duties, rights and obligations in carrying out their functions. While it is not possible for a set of rules or guidelines to provide for all situations that may arise, Commission members are expected to ensure that all activities relating to their function as members of the Commission are at all times, governed by the ethical standards reflected in this Code.

Members of the Commission are expected to ensure that they read and understand this Code and all updates, additions or amendments introduced from time to time.

If there is any doubt as to the application of any of the provisions of the Code (including the statutory provisions referred to therein) or if further guidance is needed, members of the Commission should consult the Secretary of the Bank (Secretary).

This Code is effective from 1 January 2013.

## **2. General Conduct**

Commission members should always be guided in their actions by the provisions of the Central Bank Act 1942 (as amended), the Central Bank Reform Act 2010, other relevant legislation, the terms of reference of the Central Bank Commission and the terms of reference of Commission sub-committees.

Commission members should, at all times, exercise due care, skill, prudence and diligence and act in the utmost good faith in discharge of their functions.

Commission members should use reasonable endeavours to attend all Commission and relevant sub-committee meetings.

Commission members are required to discharge their duties and responsibilities with the highest standards of integrity, including:

- Disclosure of external employment or business interest in conflict with, or in potential conflict with, the business and operations of the Bank;
- Avoidance of corporate gifts, hospitality, preferential treatment or benefits of any kind connected to their membership of the Commission which might affect or appear to affect the ability of the recipient to make independent judgement on a business transaction or decision, or which might be harmful to the reputation of the Bank;
- Avoidance of the use of confidential information for personal gain or for the benefit of persons or organisations unconnected with the Bank or its activities.

### **3. Confidentiality**

Commission members are reminded of their obligations in respect of confidentiality under Section 33AK of the Central Bank Act 1942 (as amended) and Section 150 of the Consumer Credit Act, 1995. Please refer to chapter 11 of the Handbook for Central Bank Commission Members for further explanation.

Commission members should treat all information obtained in the course of performing their duties as confidential unless there is clear and unambiguous instruction or indication to the contrary. Specifically, information relating to the Bank to which the Commission members become privy and which is not in the public domain is to be treated as confidential. Commission members should pay particular attention to the confidentiality status applied to official papers and other documents they receive from the Bank.

Members should be aware that the non-disclosure obligations in respect of privileged or confidential information do not cease when their term as a Commission member has ended.

Commission members should take all reasonable steps to ensure that information is handled responsibly, including:

- Respecting the confidentiality of sensitive information;
- Taking care to adequately safeguard all Bank documents;
- Complying with the relevant statutory provisions, particularly the provisions of the Central Bank Act 1942 (as amended); the Central Bank Reform Act, 2010; Data Protection Acts, 1988 and 2003; the Market Abuse (Directive 2003/6/EC) Regulations 2005.

#### **4. Conflicts of Interests and Disclosure of Interests**

Commission members should be seen at all times to be beyond reproach in the area of actual, potential or perceived conflict of interest situations.

The statutory obligations of Commission members in respect of conflicts of interest derive from the Ethics in Public Office Act 1995, the Central Bank Act 1942 and as set out in the Handbook for Commission Members.

In addition, this Code also sets out certain additional obligations (marked below with an asterisk).

In summary, these obligations are set out as follows:

- a. On appointment to the Commission, and thereafter on an annual basis, members of the Commission should furnish to the Secretary written notice of all his or her business interests including, but not limited to, his or her employment, shareholdings (not quantified, but above €13,000 in value or more than 5% of the issued share capital of a company), professional relationships, etc.\*
- b. Any changes in such interests of which a Commission member becomes aware during the course of the year which could give rise to a conflict of interest, or which could materially influence him or her in relation to his or her functions as a member of the Commission should be disclosed to the Secretary as soon as possible.\*
- c. Members of the Commission should provide annual statements of interest<sup>1</sup> to the Standards in Public Office Commission and the Governor of the Central Bank via the Secretary in accordance with the Ethics in Public Office Act, 1995. The

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<sup>1</sup> Section 18 of the Ethics in Public Office Act 1995

statement of interests should provide information for the preceding calendar year or relevant part thereof.

- d. In accordance with the Central Bank Act 1942<sup>2</sup> Commission members should disclose in writing to a meeting of the Commission details relating to any direct or indirect pecuniary interests of his or hers relating to any matter being considered or about to be considered at a meeting of the Commission, where such interest could give rise to a conflict with the proper performance of a Commission member's duties in relation to the consideration of that matter. Such disclosure includes, but is not limited to, directorships, or partnerships in a specified company or body; partnerships, or employment by, a specified person; other interests relating to a specified company or other body, or to a specified person.<sup>3</sup>

Once such a disclosure has been made, the Commission member may not be present during any deliberation of the Commission with respect to that matter, or take part in any decision of the Commission with respect to the matter, unless the Commission otherwise determines in the absence of the member concerned.<sup>4</sup>

A disclosure is not required merely because a Commission member is a contributor to a retirement benefits scheme. Nor would a disclosure normally be required in relation to a Commission member's non-preferential banking relationships, insurance or managed investment funds scheme in respect of which the member has no operational involvement.

The Secretary shall make and keep a record of particulars of such disclosures and, subject to Section 33AK of the Central Bank Act 1942, shall make that record available for inspection at all reasonable hours by any person who asks to see it. The register is updated as and when any such interests are disclosed.

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<sup>2</sup> Section 32 of the Central Bank Act 1942, which provides that Schedule 1 of that Act has effect with respect to meetings and procedure of the Commission

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<sup>4</sup> Section 32 of the Central Bank Act 1942

## **5. Market Abuse and Trading**

- (a) Commission members may have access from time to time to ‘inside’ or confidential information regarding financial instruments and the issuers of such instruments. As such, Commission members should be aware that it is a criminal offence for a person who is in possession of insider information to:

- 1) Deal or try to deal the financial instruments concerned or their related derivative instruments;
- 2) Disclose inside information to any other person; or
- 3) Recommend or induce another person to deal in such financial instrument.

‘Inside information’ is defined as information of a precise nature concerning a financial instrument which has not been made public, and which, if it were made public, would be likely to have a significant effect on the price of the financial instrument or on the price of related derivative financial instruments.<sup>5</sup>

- (b) Commission members should not engage in personal account dealing which might adversely affect the business or reputation of the Bank, or which might result in a conflict or perceived conflict of interest. In particular, Commission members:

- 1) Should not trade or attempt to trade in instruments of financial service providers regulated by the Central Bank;
- 2) Should consult with the Secretary in relation to any trade where they are unsure as to the existence of a possible conflict, a perception of conflict, or impact on the reputation of the Bank. The Secretary in turn, may refer to the Bank’s Compliance Officer in such instances;
- 3) On appointment to the Commission or on commencement of this Code, where a member already holds interests in instruments as set out in 5(b)(1) above, the member will have an opportunity to dispose of such instruments or transfer such instruments to a discretionary trading arrangement within a reasonable period, to be confirmed with the Secretary. Members should be conscious of the on-going disclosure provisions set out in section 4(d) above.

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<sup>5</sup> Market Abuse (Directive 2003/6/EC) Regulations 2005

- (c) From time to time, due to specific matters being discussed by, or specific information being disseminated to Commission members, the Secretary may explicitly advise Commission members not to trade for a particular period, where there is a heightened risk that potential conflicts of interest or reputational damage to the Bank may arise from such trading.

## **6. Taking up of External Appointments**

Commission members should give due consideration before taking up any position or role as to whether it might give rise to a conflict of interest in respect of their membership of the Commission. The Secretary should be consulted if a serving member wishes to take up a role which may give rise to such a conflict of interest, or impact on the reputation of the Bank.

Former Commission members should give consideration before taking up any position or role as to whether a sufficient amount of time has elapsed as to remove any perception of a conflict of interest, or impact on the reputation of the Bank.

## **7. Gifts and Business Hospitality**

Commission members in the normal course of their external dealings may interact with stakeholders of the Central Bank. However, members of the Commission should avoid any situation that would result in a conflict of interest or the appearance of a conflict in connection to their membership of the Commission, particularly in the context of the receipt of gifts or business hospitality.

Members of the Commission, their spouses, partners, children and close associates should not accept gifts, meals, favours, services, entertainment, or anything else of a monetary value from any person or organisation that does, or seeks to do, business with the Bank or is regulated by the Bank, which may lead to a conflict of interest, or perceived conflict of interest with membership of the Commission.



## **8. Acknowledgement**

Signed by relevant members