

**Section Ref: 1.0****Section Title: Preliminary Statement**

This Code of Ethics (hereinafter referred to as the 'Code') gives guidance in matters of professional ethics to all persons employed by the Central Bank of Malta (hereinafter referred to as the 'employees') and serves as a reference with regard to the standard of conduct that third parties are entitled to expect in their dealings with the Central Bank of Malta (the Bank). The Code draws on, and is without prejudice to, the terms of individual contracts of the employees, the *Conditions of Employment*, the [Rules and Orders](#) and other relevant policies of the Bank.

For the purposes of this Code:

"advantage" means any gift, hospitality or other benefit of a financial or non-financial nature which objectively improves the financial, legal or personal situation of the recipient and to which the recipient is not otherwise entitled. Minor hospitality offered during a work-related meeting shall not be considered as an advantage. An 'advantage' is considered connected with a recipient's employment with the Bank if it is offered on the basis of the recipient's position with the Bank, rather than on a personal basis.

"conflict of interest" means a situation where members of bodies or employees have personal interests which may influence or appear to influence the impartial and objective performance of their duties.

"Personal interests" means any benefit or potential benefit or avoidance of loss, of a financial or non-financial nature, for the members of bodies or employees, their family members and other relatives or for their circle of friends and close acquaintances.

"employees" means:

- (i) All permanent and temporary employees;
- (ii) Members of governing and decision-making bodies of the Bank; and
- (iii) Other persons engaged by the Bank.

**Section Ref: 2.0****Section Title: Basic Principles****2.0 Basic Principles**

All employees are expected to act with exclusive loyalty to the Bank, honestly, independently, impartially, with discretion and without regard to self-interest, to subscribe to high standards of professional ethics and to avoid any situation liable to give rise to a conflict of interest and situations where their integrity might be questioned.

**2.1 Diligence, efficiency, responsibility**

All employees are expected to carry out diligently, efficiently and to the best of their abilities the responsibilities and the duties entrusted to them. They are expected to be mindful of the importance of their duties and responsibilities, to take into account the expectations of the public concerning their moral behaviour, to conduct themselves in a way that maintains the public's trust in the Bank, and to contribute to the efficiency of the administration of the Bank.

**2.2 Secrecy**

On joining the Bank, employees sign a [Declaration of Secrecy](#) as required by the Bank. All Bank employees are expected to respect the [confidential nature of information](#) acquired in the course of their employment. This obligation shall continue to apply notwithstanding that an individual is no longer in employment with the Bank.

### **3.1 Advantages (Gifts and Hospitality)**

Employees may neither solicit, nor receive, nor accept for themselves or any other person any advantage connected in any way with their employment with the Bank.

As an exception to the above prohibition, and provided that they are not frequent and not from the same source, employees may accept the following advantages:

- i) Advantages offered by other central banks, Union institutions, bodies or agencies, international organisations and government agencies which do not go beyond what is customary and considered appropriate;
- ii) Hospitality offered by the private sector with a value of up to Eur 50 if it is offered in the context of a work-related occasion. This exception shall not apply to hospitality offered by current or potential suppliers/service providers, in which cases no hospitality may be accepted;
- iii) Other advantages of a customary or negligible value offered by the private sector with a value of up to Eur 50.

Employees shall register with the Compliance Committee without undue delay:

- (i) any advantage whose value cannot be clearly established to be under the thresholds provided for in the previous paragraphs;
- (ii) any advantage which has been wrongly classified to be under the thresholds provided for in the previous paragraphs but which in reality is above the thresholds;
- (iii) any offer by third parties of advantages, the acceptance of which is prohibited.

Employees shall notify to a Governor any gifts accepted in accordance with points (i) and (ii) of the previous paragraph. A Governor shall decide whether such gift/s could be retained by the recipient or returned to the original provider.

The acceptance of an advantage shall not in any event impair or influence or be perceived to influence the objectivity, independence, impartiality and freedom of action of employees.

Employees shall not accept in their official capacity any advantage for which he/she is not entitled from another employee of the Bank, unless approved within the reward policy of the Bank.

Similarly employees shall not accord any advantage to an external party in excess of what is considered as customary or negligible amount (up to a maximum of Eur50) to which that party is not entitled.

### **3.2 External Activities**

Employees may undertake non-remunerated and non-financial activities outside working hours in domains such as culture, science, education, sports, charity, religion, social work or other benevolent work, on condition that such activities do not have a negative impact on the employees' obligations with regard to the Bank. Employees of the Bank shall however seek prior approval before they can accept any post of responsibility in this respect or any remunerated activities of this nature outside working hours.

Employees should avoid becoming involved in issues of public controversy which could lead to embarrassment for the Bank.

### **3.3 Betting, Gambling & Speculation**

Employees shall not indulge themselves in such practices such as betting, gambling and speculative activities to an extent which may be deemed imprudent or which may cause embarrassment to the Bank.

### **3.4 Relations with the Media**

Employees should refrain from giving interviews or supplying information that is not available in the public domain on their own initiative or upon invitation to the media without prior written authorisation. When meeting members of the media on a social basis, employees shall exercise the utmost degree of discretion with regard to matters related to the Bank.

**Section Ref: 4.0**

**Section Title: In-house Relations**

### **4.1 Loyalty and Cooperation**

Employees are expected to show loyalty and cooperation and fulfil their tasks to the best of their abilities respecting the applicable reporting lines. They should also give assistance, advice, be open and transparent and not withhold information that may affect the conduct of business at the Bank.

### **4.2 Reporting Fraud, Unfaithfulness or Non-Compliance**

It is the duty of all employees of the Bank, knowing or suspecting any fraud or error, or theft, or any concealed practice against, or unfaithfulness to the interests of the Bank on the part of any person whatsoever, to report immediately such knowledge or suspicion to an immediate superior who shall refer the matter to the Bank's management. A violation that involves corruption, fraud, or theft shall also be reported to the Internal Auditor.

Any employee may report cases of non-compliance with the provisions of this Code of Conduct in accordance with the procedures established by the Bank's Policy on Whistleblowing.

### **4.3 Conflict of Interest**

Employees shall avoid conflicts of interest when performing their professional duties.

Employees who become aware of a conflict of interest when performing their professional duties shall immediately inform their immediate superiors by means of a declaration in writing, who will in turn refer the matter to their line management. Line management may initiate any appropriate measures to avoid such conflict of interest after having sought the advice of the Deputy Governor responsible for Human Resources. If the conflict cannot be solved or mitigated by other appropriate measures, the Deputy Governor may relieve staff from responsibility for the relevant matter. If the conflict of interest is related to a procurement process and/or decision, the employee concerned shall request to be relieved from the process itself.

Prior to an employee's appointment as an employee of the Bank, the Bank shall assess whether there may be a conflict of interest resulting from the employee's previous occupational activities or the employee's close personal relationship to other employees of the Bank, the members of the Board of Directors of the Bank or members of other internal bodies of the Bank. The Selection Committee or Head Human Resources shall seek the advice of the Deputy Governor responsible for Human Resources if they identify a conflict of interest and shall take any necessary action to mitigate the conflict of interest.

Upon the expiry of a fixed term contract or resignation of a Governor, and the termination of employment or retirement of a Chief Officer (or the equivalent of an Officer at Board -1), a no objection from the Board of Directors shall be sought to take up employment, contract of service, or appointment with a licensed credit or financial institution or a commercial entity directly related to the Bank in any period of six months after the expiry of the fixed term contract, resignation, termination of employment or retirement from the Bank.

Any member of the Board of Directors shall declare any conflict of interest to the Board resulting from any activities undertaken during their appointment as members of the Board of Directors and the Board of Directors shall take any necessary action to safeguard the interests of the Bank.

Employees on any form of unpaid leave are not allowed to undertake any remunerated activity without the prior written consent of the Bank.

A declaration of an interest should not be considered as a substitute for managing and/or resolving conflicts of interest.

#### **4.4 Access to Documents by a Former Member of the Board of Directors or Chief Officer**

A former member of the Board of Directors or a former Chief Officer who requests access to documents concerning the work carried out during his/her time in office needs to make a specific request in writing to the Governor of the Central Bank of Malta explaining clearly the reasons for the request for such access. The Governor will consider the request and take a final decision on the merits of the case under review. In any case, if the Governor grants access to the documents to the former member of the Board of Directors or Chief Officer, such access will be temporary and may only be exercised on the premises of the Central Bank of Malta in the presence of the Board Secretary and any copies of documents are only allowed to be made in very exceptional circumstances with the specific approval of the Governor in writing. In the event of a refusal, the reason/s shall be stated in writing and must be based on items of information which are actually to be found in the document/s requested.

#### **4.5 Financial Difficulties**

An employee who experiences financial difficulties shall immediately report the matter to the Bank.

#### **4.6 Financial Commitments**

Employees shall not, without the prior consent of the Bank, borrow or lend money or enter into any guarantee except in cases where the employee is lending to a member of the employee's immediate family for personal reasons or where the borrowing is fully secured.

#### **4.7 Unsecured Facilities**

The Bank may not grant or permit to be outstanding in respect of any one of its employee's unsecured advances or unsecured credit facilities which in the aggregate exceed twelve months emoluments of such employee.

### **Section Ref: 5.0**

### **Section Title: Adherence to Code and Discipline**

#### **5.1 Discipline**

Without prejudice to the Anti-Fraud Policy, employees who fail to adhere to the Bank's Code of Conduct – Code of Ethics shall be deemed to have acted in breach of the Bank's rules and practices and the Bank may, after taking into account the gravity of the breach, the findings and/or the recommendations of the Chief Officer responsible for human resources, invoke disciplinary procedures as stipulated in the Bank's discipline policy in accordance with the Collective Agreement.

July 2017