

Code of Conduct – Code of Ethics

Version number 2.0

Section Ref: **1.0**

Section Title: **Preliminary Statement**

This *Code of Ethics* (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.

1.1 Definitions

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 or a third party and to which the recipient or a third party is not otherwise entitled. Minor hospitality with a value not exceeding €50 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 may be perceived as influencing, the impartial and objective performance of their duties and responsibilities.

“Non-public information” means information, irrespective of its form, which has not been made public.

“Personal interests” means any benefit or potential benefit, of a financial or non-financial nature, for the members of bodies or employees, including - but not limited to – a benefit for a direct family member (being any parent, child, sibling), spouse or partner.

“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.

Code of Conduct – Code of Ethics

Version number 2.0

Section Ref: **2.0**

Section Title: **Basic Principles**

2.1 Basic Principles

All employees are expected to act with exclusive loyalty to the Bank, honestly, independently, impartially, with respect and discretion avoiding any form of inappropriate behaviour or harassment, and without regard to self-interest, thereby maintaining and promoting public trust in the Eurosystem. All employees are expected 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.

2.2 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.

2.3 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.

Code of Conduct – Code of Ethics

Version number 2.0

Section Ref: **3.0**

Section Title: **Outside Relations**

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 €50 if it is offered in the context of a work-related occasion. This exception shall not apply to hospitality offered by entities supervised directly by the Bank, 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 €50.

Employees shall inform the **Ethics and Compliance Committee** without undue delay of:

- (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 above €50, 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 **Ethics and Compliance Committee** shall maintain a register listing all reportable gifts mentioned in (i), (ii) and (iii) above.

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 of a negligible amount (up to a maximum of €50). Such advantages must not be given frequently, nor repeatedly to the same party, and must not be granted where the recipient is not entitled to them.

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 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, directly related to the Bank's functions and responsibilities, which could lead to embarrassment for the Bank.

3.3 Betting and Gambling

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

3.4 Abusive use of Narcotics

Employees shall not indulge themselves in abusive use of narcotics to an extent which may be deemed imprudent or cause embarrassment to the Bank.

3.5 Purchases from the Malta Coin Centre

When the **Malta Coin Centre** issues commemorative coins and offers these for sale to staff either at a discount or on a preferential basis, staff members should not try to increase their share of the product by approaching other staff members to also procure their coin allocation with the interest of making a profit by selling these products to third parties on the market.

3.6 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 from a **Governor**. 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.

3.7 Relations with External Parties

All employees who meet with external parties – and in particular with representatives from the financial services industry – are expected to:

- i) Maintain neutrality and equal treatment in their interaction with those external parties;
- ii) Observe a seven-day quiet period prior to any monetary policy meeting of the **Governing Council** during which they refrain from speeches or other remarks that could influence expectations about forthcoming monetary policy decisions;
- iii) Keep basic records of the meetings; and
- iv) avoid any conduct that could be perceived as granting external parties any advantages, including advantages of a commercial or prestige nature.

Unless mandated by the Bank, employees shall avoid delivering presentations and/or speeches on the invitation of private organisations not open to the public on topics related to the Bank's functions and responsibilities.

Code of Conduct – Code of Ethics

Version number 2.0

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 **Head Internal Audit Department**.

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 Panel or **Chief Officer 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.

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 Post-employment Occupational Activities

*For the purposes of this sub-section 4.4, the term "employees" shall not include the **Governors**.*

All employees of the Bank who retire from service should seek a no objection from the **Ethics and Compliance Committee** before they take up any gainful occupational activity, contract of service, or appointment in any period of six (6) months after their retirement. The **Ethics and Compliance Committee** shall examine the situation to establish whether there is a conflict of interest on the post-employment occupation with the previous occupation that the retired employee had at the Bank. If

a conflict of interest is established, the retired employee may be precluded from taking up the new employment until six (6) months would have expired from his/her retirement without any compensation. The retired employee can appeal the decision of the **Ethics and Compliance Committee** to the **Board of Directors**.

Employees resigning from the Bank or employees whose contract of service has expired, would be obliged to seek a no objection from the **Ethics and Compliance Committee** before taking up any gainful occupational activity, contract of service, or appointment in any period of six (6) months after their resignation or termination of employment. The **Ethics and Compliance Committee** shall examine the situation to establish whether there is a conflict of interest on the post-employment occupation with the previous occupation that the former employee had at the Bank. If a conflict of interest is established, the **Chief Officer** will immediately alter the duties of the employee during the period of notice and make arrangements such that the employee will be relieved of any sensitive information during the period of handover.

The **Ethics and Compliance Committee** shall establish a cooling-off period not exceeding six (6) months from the date the employee is relieved of any sensitive information. During the cooling-off period, the individual is precluded from taking up the new employment. The decision of the **Ethics and Compliance Committee** can be appealed to the **Board of Directors**. Employees who following their resignation are prohibited as a result of their cooling-off period from taking up a specific occupational activity shall be entitled to a benefit of 80% of their basic pay for the duration of the prohibition on undertaking the new activity, as long as they remain unemployed. In the event of a breach of such requirement, the **Board of Directors** shall take appropriate measures as necessary.

4.5 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** (or the equivalent of an Officer at Board -1) 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** explaining clearly the reasons for the request for such access. The **Governor** will present such a request to the **Board of Directors** for a final decision to be taken on the merits of the case under review. In any case, if the **Board of Directors** grants access to the documents to the former **Board Member** or former **Chief Officer**, such access will be temporary and the **Board** may include specific conditions on a case-by-case basis. Furthermore, review of such documents will only be exercised on the Bank's premises 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 **Board** 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.

4.6 Financial Difficulties

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

4.7 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.

4.8 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.

Code of Conduct – Code of Ethics

Version number 2.0

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*, or as outlined in this document in the case of breaches in respect of post-employment occupational activities.

V 1.4 - Approved in July 2017

V 1.5 - Realigned with changes to organisational structures, by Internal Audit in October 2020

V 2.0 - Approved on 10 July 2025 following ECB published Guideline 2021/2253