
EASTERN CARIBBEAN CENTRAL BANK

CONFLICT OF INTEREST POLICY



EASTERN CARIBBEAN CENTRAL BANK

ST KITTS

Table of Contents

1 INTRODUCTION 1

2 KEY DEFINITIONS 1

3 PURPOSE 3

4 SCOPE 3

5 IDENTIFICATION OF CONFLICT OF INTEREST SITUATIONS..... 4

6 DUTY TO DISCLOSE THE EXISTENCE OF POTENTIAL CONFLICT OF INTEREST 7

7 PROCEDURES FOR ADDRESSING POTENTIAL CONFLICTS OF INTEREST 9

8 APPEAL 10

9 AMENDMENTS 10

APPENDIX I: CONFLICT OF INTEREST DISCLOSURE FORM (STAFF MEMBER)... 11

APPENDIX II: CONFLICT OF INTEREST DISCLOSURE FORM (BOARD OF DIRECTORS)..... 12

EASTERN CARIBBEAN CENTRAL BANK (ECCB)

CONFLICT OF INTEREST POLICY

1.0 INTRODUCTION

The Eastern Caribbean Central Bank (the Bank), as the central monetary authority for the eight countries of the Eastern Caribbean Currency Union (ECCU), recognises the importance of observing good governance practices in order to maintain public confidence, which is critical to the Bank's achievement of its purposes. The Bank is committed to managing and mitigating situations that may result in conflicts of interest. Consistent with its mandate, the Bank seeks to provide the levels of accountability, transparency and assurances of good ethical standards governing its operations. In so doing, it is expected that financial and reputational risks to the Bank would be minimised.

2.0 KEY DEFINITIONS

In this document, the words and expressions set out below have the following meanings:

i) Conflict of Interest

Any situation in which a person has interests that could improperly influence that person's performance of their official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations that has the potential to undermine the impartiality of a person due to the possibility of a clash between the person's self-interest and professional responsibility. Consequentially, any actual or potential interest may lead to questions being raised regarding the independence of the judgement dispensed in the performance of his or her obligations to the Bank.

ii) Director

A member of the Board of Directors of the Eastern Caribbean Central Bank.

iii) Direct Reporting Relationship

A relationship between a Staff Member and his/her direct supervisor in which the supervisor provides primary guidance to the Staff Member, conducts performance appraisals of the Staff Member and to whom the Staff Member is directly responsible for the performance of his/her duties.

iv) Disinterested Individuals

A person free from bias, prejudice, partiality or self-interest not having a stake directly or indirectly in any particular outcome of the situation at hand.

v) Relative

Spouse, child, stepchild, ward, sibling, parent and any other family member related by blood or marriage to a Director/Staff Member.

vi) Relevant Person

Any person or entity whose goods or services are placed at the disposal of the Bank or who is involved in the provision of services to the Bank.

vii) Significant Relationship

A relationship with another person, which an independent third party might reasonably consider could affect the actions of the Staff Member.

viii) Staff Member

Any person appointed by the Bank, in any post listed in the Schedules of the Staff Regulations, including persons employed on a contractual basis.

3.0 PURPOSE

The Conflict of Interest Policy is intended to protect the interests of the Bank over the private interests of individuals and to assist the Bank in averting conflict of interest situations in both fact and appearance. The policy therefore provides guidance in identifying actual, potential or perceived conflicts of interest and outlines procedures for managing and mitigating such conflicts.

4.0 SCOPE

- 4.1 This policy guides the proper conduct of the Board of Directors and Staff Members of the Bank. The aforementioned individuals have a duty of loyalty to the Bank as enshrined in the *Declaration of Allegiance*.
- 4.2 This policy applies to Directors and Staff Members of the Bank. The policy sits together with the Eastern Caribbean Central Bank Agreement, 1983¹ and the Staff Regulations² which also set standards for the conduct of members of the Board of Directors and Staff Members of the Bank.
- 4.3 The Bank recognises that some Directors/Staff Members may act under other codes of conduct or standards of practice or licensure³. The Conflict of Interest policy supplements, but does not replace, those codes. Directors/Staff Members who are covered under a professional Code of Ethics are expected to adhere to both their professional Code of Ethics and the Conflict of Interest Policy for the Bank. Where professional codes posit conflicting or differing standards to this policy, the higher or more stringent standard would apply.
- 4.4 This policy will be shared with external stakeholders via the Bank's website. Notwithstanding, Directors/Staff Member are required to inform vendors, suppliers or other relevant persons of the Bank's policy in situations which may require disclosure.

¹ Articles 15 and 16

² Duties and Obligations 28, 29, 30

³ For example, *Code of Ethics for Professional Accountants* and *Code of Ethics, OECS Bar Association*

5.0 IDENTIFICATION OF CONFLICT OF INTEREST SITUATIONS

The Conflict of Interest Policy is intended to include circumstances under which:

5.1 General Situations

- (i) A Director/Staff Member of the Bank (or relative of any of the foregoing) is a party to a contract, or involved in a transaction with the Bank for the provision of goods or services.
- (ii) A Director/Staff Member of the Bank has a material financial interest in a transaction between the Bank and an entity in which the person or a relative of the foregoing, is a director, owner, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian, or other legal representative.

5.2 Specific Situations

Conflict of interest situations may include, but are not limited to the following situations:

5.2.1 Relationships

- (i) Directors/Staff Members who are relatives or who are involved in a significant relationship which compromises objectivity, or gives the perception of compromising objectivity, are in a direct reporting relationship to one another.
- (ii) Staff Members who are relatives or who are in significant relationships are employed in situations where:
 - one Staff Member has influence, input, or decision-making power over the other Staff Member's performance evaluation, salary, special permissions, conditions of work, and similar matters; or
 - an opportunity for collusion exists between the two Staff Members that would have a detrimental effect on the Bank's interest.

- (iii) A Staff Member, in the performance of official duties, gives preferential treatment to an individual, corporation, or organisation, including a non-profit organisation, in which the Staff Member, or a relative or friend of the Staff Member has an interest, financial or otherwise.

5.2.2 *Financial and Non-Financial Interests*

- (i) A Director/Staff Member provides paid consulting services to a company, customer or supplier which carries on business with the Bank.
- (ii) A Director/Staff Member uses the Bank's property or equipment or his/her position, office, or affiliation to pursue personal interests, or the interests of another organisation, or for personal profit. This could include the Bank's information, technology, supplies or goods.
- (iii) A Director/Staff Member is in a position to make a decision on behalf of the Bank which will involve a business in which the Director/Staff Member has a stake.

5.2.3 *Transactions*

- (i) A Director/Staff Member uses or provides to others directly or indirectly material information or information of a confidential nature, in any form whatever including electronic, for purposes of carrying out private financial transactions.⁴ This may include information relating to the affairs of the Bank, participating member governments or any financial institution or other person, firm, company or organisation, which information he/she has acquired in the performance of his/her duties or functions.

⁴ Staff members and Directors are also required to sign an Oath of Secrecy.

- (ii) A Director/Staff Member benefits from, or is reasonably perceived to have benefited from, the use of information acquired solely by reason of the person's status with the Bank for transactions related to, for example, investments, sales, purchases and contracts.

5.2.4 Outside Remuneration and Voluntary Work

A Staff Member engages in, accepts, solicits or seeks outside employment, part-time or full-time or performs any duties of a charitable nature which are likely to:

- (i) interfere with the performance of his/her duties;
- (ii) bring the Bank into disrepute; or
- (iii) involve the unauthorised use of work time, Bank premises, services, equipment, or supplies.

5.2.5 Human Resource Decisions

- (i) A Staff Member participating in the hiring process is related to a job candidate whom the Bank is considering for a position.
- (ii) A Staff Member participates in staffing actions involving relatives or persons with whom he/she shares a significant relationship. This would include but not limited to any decision relating to hiring, discipline, promotion or compensation.
- (iii) Special preferences are afforded to the employment of relatives of a Staff Member.

5.2.6 Gifts and Fees

- (i) A Director/Staff Member either directly or through any relative, or through any business or financial connections, solicits, or accepts in respect of service rendered in his/her official capacity, any fee, gratuity, gift, advantage or consideration of any kind from any member of the public having dealings with the Bank or from another Director/Staff Member.

ECCB Agreement Part IV – Section 15(3) - No Director, officer or employee of the Bank in his official capacity shall accept any gift or advantage for himself or for any person with whom he may have family, business or financial connections.

- (ii) A Director/Staff Member, uses his/her position, to accept a loan, service, payment from a contractor, vendor, consultant, or similar business contact under terms and conditions that are not available under normal circumstances.
- (iii) A Director/Staff Member uses his/her position at the Bank to obtain or provide favoured treatment for himself/herself or others.

5.2.7 Relationships with Political Parties

- (i) A Staff Member solicits, seeks or accepts political office, including an office with a local government or engages in or takes part in any political activity which is inconsistent with or might reflect on the impartiality required by his/her status.

6.0 DUTY TO DISCLOSE THE EXISTENCE OF POTENTIAL CONFLICT OF INTEREST

- 6.1 At the time of appointment or employment each Staff Member must disclose to the Director of the Legal Services Department (DIRECTOR LSD) all interests and relationships of which the employee is aware which will or may give rise to a conflict of interest or the perception of a conflict of interest.
- 6.2 Each Staff Member has a duty to disclose any current, proposed, or pending situations that may constitute a conflict of interest and should disclose the material facts relating to any conflict of interest as soon as the existence of a possible conflict of interest is known.

- 6.3 Each Director shall fully disclose to the Board any (private) interest, industrial or other, which he/she may directly or indirectly hold or be connected with and which becomes the subject of Board action, and shall refrain from voting on any matter relating thereto; provided that such an interest, if so disclosed shall not disqualify the interested party for the purpose of constituting a quorum.
- 6.4 Directors/Staff Members are encouraged to report suspected violations of the Conflict of Interest Policy. Disclosures related to Staff Members should be reported to the DIRECTOR LSD and those relating to Directors should be reported to the Governor.
- 6.5 The Bank and its staff will not retaliate against any Staff Member, who in good faith, reports a known suspected violation of this policy. Accordingly, staff will not be terminated, demoted or discriminated against in any way for reporting legitimate concerns about matters in accordance with this policy, including giving information in relation to an investigation. However, given the seriousness of a false allegation and the resources which will be expended to investigate complaints, the Bank reserves the right to discipline anyone who knowingly makes a false accusation or knowingly provides false information to the Bank or others.
- 6.6 All information disclosed will be kept confidential to the extent necessary for the protection of all relevant parties.
- 6.7 Any employee or supervisor who has questions about this policy or its application may seek guidance from the DIRECTOR LSD.

7.0 PROCEDURES FOR ADDRESSING POTENTIAL CONFLICTS OF INTEREST

- 7.1 A Staff Member in disclosing conflict of interest situations under 6.1 and 6.2 should use the *Conflict of Interest Disclosure Form (Staff Member)* (Appendix I) and Directors in disclosing conflict of interest situations under 6.3 should use the *Conflict of Interest Disclosure Form (Board of Directors)* (Appendix II). Disclosure under 6.4 should be as follows: The Staff Member shall submit, in writing, to the DIRECTOR LSD the nature, facts and extent of his/her concern immediately upon becoming aware of a potential conflict of interest. However, if the conflict involves the DIRECTOR LSD or, for any reason, the employee is not comfortable disclosing his/her concern to the DIRECTOR LSD, then such disclosure shall be made to the Governor.
- 7.2 Disclosures made shall be brought to the attention of the Governor within five (5) working days.
- 7.3 The Governor shall consult with the relevant parties, internal and external to the Bank.
- 7.4 Where the Bank receives a complaint of a conflict of interest, and the substance of the complaint has not been disclosed, the matter shall be assigned to the DIRECTOR LSD who shall follow the procedures set out in 7.1 and 7.2 above.
- 7.5 If, after completing the investigation, the DIRECTOR LSD determines that there has been a breach of the policy, it shall present recommendations to the Governor/Executive Committee. The Governor may take appropriate disciplinary action, up to and including termination of employment and other remedies as recommended by the DIRECTOR LSD. If there is a suspected violation of law, the matter may be referred to external counsel.

7.6 In all cases, the matter shall be documented, including the circumstances surrounding the issue, the nature of the follow-up required and confirmation that the matter has been resolved or a waiver has been approved.

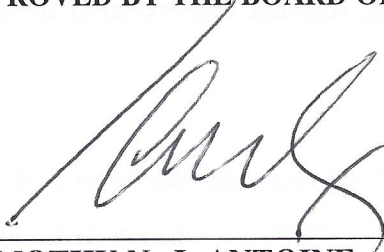
8.0 APPEAL

If a Staff Member disagrees with a decision regarding a conflict of interest, he/she may appeal based on the Staff Regulations – Right of Appeal procedures.

9.0 AMENDMENTS

The Conflict of Interest Policy may be reviewed and amended by the Board from time to time in consultation with Staff Members. Any changes to the policy shall be communicated to all Staff Members.

APPROVED BY THE BOARD OF DIRECTORS ON THE 31st DAY OF March 2017.



TIMOTHY N. J. ANTOINE
CHAIRMAN



APPENDIX I

CONFLICT OF INTEREST DISCLOSURE FORM (STAFF MEMBER)

Date: _____

Name: _____

Position: _____

Please describe below any interest, relationships, transactions, positions held (volunteer or otherwise), or situations current, proposed or pending, that you believe could contribute to a conflict of interest between the Eastern Caribbean Central Bank (ECCB) and your personal interests, financial or otherwise:

_____ I have no conflict of interest to report

_____ I may have the following conflict of interest to report (Append additional information as needed)

1. _____

2. _____

3. _____

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Conflict of Interest Policy of the ECCB.

Date: _____

Signature: _____

Staff Member

For Legal Services Department's Use Only

Date Received in LSD: _____

Signature: _____



APPENDIX II

CONFLICT OF INTEREST DISCLOSURE FORM (BOARD OF DIRECTORS)

Date: _____

Name: _____

Position: _____

Please describe below any interest, relationships, transactions, positions held (volunteer or otherwise), or situations current, proposed or pending, that you believe could contribute to a conflict of interest between the Eastern Caribbean Central Bank (ECCB) and your personal interests, financial or otherwise:

_____ I have no conflict of interest to report

_____ I may have the following conflict of interest to report (Append additional information as needed)

1. _____

2. _____

3. _____

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Conflict of Interest Policy of the ECCB.

Date: _____

Signature: _____

Board of Director

For Chairman, Board of Director's Use Only

Date Received by Chairman: _____

Signature: _____