



## **National Treasury Management Agency**

### **Code of Practice on Confidentiality and Professional Conduct**

## 1. DOCUMENT CONTROL

### Revision History

Version	Date	Supersedes	Status	Summary of Changes
1.0		N/A	Final	N/A
2.0	15 Jun 2010	1.0	Final	General Update
3.0	20 Dec 2012	2.0	Final	Updated to include reference to NewERA and other miscellaneous changes
4.0	26 Feb 2015	3.0	Final	Updated to reflect changes arising from NTMA Amendment Act 2014, removal of references to NDFA and NPRF (as appropriate), inclusion of references to SBCI and other miscellaneous changes.
5.0	20 Sep 2016	4.0	Final	Updated and reformatted. Inclusion of additional elements, as appropriate, from the Code of Practice for the Governance of State Bodies framework code and other miscellaneous changes.

### Next Scheduled Review

September 2018

### Distribution

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Intranet	All NTMA employees, excluding those assigned to NAMA

### Approval

Agency

### Document Stakeholders

Author	Owner
NTMA Compliance Officer	NTMA Head of Compliance

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### 3. INTRODUCTION

The objectives of this Code of Practice on Confidentiality and Professional Conduct (the “Code”) are as follows:

- The establishment of an agreed set of ethical principles;
- The promotion and maintenance of confidence and trust including the protection of the good name of the Agency;
- The prevention of the development or acceptance of unethical practices.

All Parts of this Code should be read carefully. If there is anything you do not understand, please contact the Compliance Unit.

### 4. SCOPE

This Code applies to all employees of the National Treasury Management Agency (the “NTMA”), excluding those who are assigned to the National Asset Management Agency (“NAMA”)<sup>1</sup>.

The Code sets out, inter alia, the agreed standards of principles and practice in relation to confidentiality, conflicts of interest, insider dealing, market manipulation and personal account transactions. The Code underscores the NTMA’s commitment to the highest standards of conduct and has been prepared to assist employees in understanding their duties, rights and obligations. Employees are required to be familiar with its contents.

While it is not possible for a set of rules or guidelines to provide for all situations that may arise, employees are expected to ensure that all their activities are governed by the ethical standards reflected in this Code. Accordingly, employees should be aware that the spirit as well as the express terms of the Code should be observed. If an employee is in any doubt with regard to this Code or its application in any given situation, the precise circumstances of the situation should be notified immediately to the Compliance Unit before any action is taken that could breach this Code.

In particular, employees should note that they are required to discharge their duties and responsibilities with the highest standards of integrity, which includes:

- disclosure of outside employment/business interests in conflict with or in potential conflict with their duty to the NTMA;
- avoidance of the giving or receiving of corporate gifts, hospitality, preferential treatment or benefits of any kind which might affect or appear to affect the ability of the donor or the recipient to make independent judgement on business transactions or which might be harmful to the reputation of the Agency;
- avoidance of the use of the NTMA’s resources or time for personal gain or for the benefit of persons or organisations unconnected with the NTMA or its activities;

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<sup>1</sup>There is a separate code for employees of the NTMA who are assigned to NAMA, entitled ‘Code of Practice – Conduct of Officers of NAMA’.

- ensuring a culture of claiming expenses only as appropriate to business needs and in accordance with good practice in the public sector generally;
- commitment not to acquire information or business secrets by improper means;
- commitment to fairness in all business dealings;
- compliance with relevant employment equality and equal status legislation;
- respecting the confidentiality of sensitive information held by the Agency.

Employees should note that a breach of this Code is unacceptable conduct which will be investigated and dealt with in accordance with the disciplinary procedures set out in the NTMA Staff Handbook. Serious breaches of this Code could result in disciplinary action up to and including dismissal.

## 5. CONFIDENTIALITY

### 5.1 Legal and Fiduciary Obligations of Confidentiality

Each employee of the NTMA has legal and ethical obligations of confidentiality in respect of information obtained while carrying out his or her duties as an employee of the NTMA. These obligations of confidentiality apply irrespective of which business unit employees are assigned to.

There are a number of specific legislative provisions prohibiting employees of the NTMA from disclosing information obtained in the course of their work without proper consent. However, employees should note that, quite apart from their statutory duty to maintain confidentiality, they each owe a common law duty of fidelity to the NTMA, which includes an obligation of confidentiality, as well as an ethical and fiduciary obligation not to use confidential information other than for the purpose it was intended and not to use the information for their own personal benefit or gain.

The specific legislative provisions that employees of the NTMA should be aware of in respect of their duties are identified below.

#### 5.1.1 National Treasury Management Agency Act, 1990 as amended<sup>2</sup> (the “NTMA Act 1990”)

All employees of the NTMA are subject to section 14(1) of the NTMA Act 1990, which imposes a statutory duty not to disclose confidential information obtained while performing functions as a member of the staff of the NTMA.

‘Confidential Information’ includes:

- (a) information that is expressed by the NTMA to be confidential, and
- (b) proposals of a commercial nature or tenders submitted to the NTMA by contractors, consultants or any other person.

This prohibition applies indefinitely to all members of staff of the NTMA, including former members of staff. Contravention of section 14 constitutes a criminal offence, which on conviction could result

<sup>2</sup> Amended by the National Treasury Management Agency (Amendment) Act 2014.

in a fine and/or a prison term of up to two years. Section 14(3) provides for certain disclosures to be permitted.

Permitted disclosures of confidential information are those which:

- are made in the performance of functions of the NTMA,
- are made to or authorised by the NTMA,
- are made to the Minister for Finance,
- are made in the circumstances referred to in section 35(2) of the Ethics in Public Office Act 1995,
- are made to a member of the Garda Síochána and, in the opinion of the person making the disclosure, the information may relate to the commission of an offence, or
- are required by law.

In cases of doubt you should consult with your business unit head or the Compliance Unit.

### **5.1.2 National Pensions Reserve Fund Act, 2000 (the “NPRF Act”)**

Employees of the NTMA involved in the performance of duties on behalf of the NPRF are subject to section 13(1) of the NPRF Act which places employees under a statutory duty not to disclose confidential information obtained while performing duties as an employee of the NTMA in its capacity as Manager of the NPRF unless duly authorised by the NPRF Commission to do so. This prohibition applies indefinitely to NTMA staff performing duties for the NPRF, including former employees. Contravention of Section 13 constitutes a criminal offence.

For the purposes of Section 13, “confidential information” includes:

- a. information that is expressed by the Commission to be confidential, either as regards particular information or as regards information of a particular class or description; and
- b. proposals of a commercial nature or tenders submitted to the Commission by contractors, consultants or any other person.

### **5.1.3 National Asset Management Agency Act 2009 ( the “NAMA Act”)**

Employees of the NTMA involved in the provision of support services to the National Asset Management Agency (NAMA)<sup>3</sup> are subject to section 202(2) of the NAMA Act, which provides that :

“except as otherwise provided or authorised by this section (S202) or another enactment, a person shall not, unless authorised by NAMA, a NAMA group entity or the NTMA or authorised or obliged by law to do so, disclose information that he or she knows is confidential information, or use, to the direct or indirect advantage of himself or herself or of another person (other than NAMA, a NAMA group entity or the NTMA), confidential information that he or she obtained,”

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<sup>3</sup> Note: there is a separate Code of Practice for NTMA staff who are “officers” of NAMA.

while an officer of NAMA or a staff member of the NTMA or otherwise performing duties on behalf of NAMA or the NTMA. For the purpose of section 202, “it shall be presumed, unless the contrary is shown, that a person knew that information was confidential information, if that person reasonably ought to have known that it was confidential information.” This prohibition applies indefinitely to NTMA staff providing services to NAMA, including former employees. Contravention of section 202(2) constitutes a criminal offence, which on conviction could result in a fine and/or a prison term of up to five years.

Section 202(1) of the NAMA Act provides that confidential information includes:

- (a) information relating to the commercial or business interest of a participating institution or of a person who is or has been in a relationship with a participating institution,
- (b) information that is subject at law or in equity to a duty of confidentiality,
- (c) information that, if it were contained in a document, would have the result that a person could not be compelled to disclose the document in evidence,
- (d) information the disclosure of which would tend to place NAMA, a NAMA group entity or the NTMA at a commercial disadvantage, or
- (e) information about proposal of a commercial nature and tenders submitted to NAMA, a NAMA group entity or the NTMA.

#### **5.1.4 Official Secrets Act, 1963 (the “Official Secrets Act”)**

Employees of the NTMA are holders of a "public office" within the meaning of the Official Secrets Act, the expression "public office" for this purpose being exceptionally wide.

Section 4 of the Official Secrets Act prohibits holders of a “public office” from communicating any "official information" to anyone unless authorised to do so or in the course of and in accordance with their duties as a holder of public office and they are obliged to take reasonable care to avoid any such communication. "Official information" includes any document or information in virtually any form (extending to film, tapes or any other recording medium) which is secret or confidential or is expressed to be either.

Contravention of the Official Secrets Act is a criminal offence. The prohibition against any communication of official information applies in perpetuity (including after employment with the NTMA ceases).

#### **5.1.5 The Data Protection Acts 1988 and 2003 (the “DPA”)**

The DPA deal with privacy issues arising from the collection and maintenance of personal automated data i.e. information held on computers and other electronic formats and personal data contained in manual records. The purpose of the DPA is to protect personal information about individuals and to impose standards on the obtaining and processing of personal data. Personal data is “data relating to a living individual who is or can be identified either from the data or from the data in conjunction with other information”.

The NTMA is required to comply with the DPA, including its provisions regarding the processing and handling of personal data. Relevant provisions include a requirement that personal data be used only for the purpose for which it was collected, and that it must be kept securely and never disclosed to third parties who have no right of access to it. Employees most likely to be handling and processing personal data include those employed in the H.R. Unit and the State Claims Agency ("SCA") and those assigned to NAMA and the Strategic Banking Corporation of Ireland (the "SBCI"). From time to time, however, employees assigned to other business units may find themselves handling personal data e.g. as part of the recruitment process, performance appraisal process or in respect of anti-money laundering checks.

The NTMA, NAMA and the SBCI are data controllers for the purposes of the DPA. Section 2(1)(d) of the DPA imposes obligations on data controllers to process personal data entrusted to them in a manner that respects the rights of data subjects to have their data processed fairly and data controllers are under a specific obligation to take appropriate measures to protect the security of such data including ensuring that it is not put at risk of unauthorised disclosure, loss, destruction or alteration. In July 2010 the Data Protection Commissioner (DPC), who is responsible for ensuring compliance by data controllers with the provisions of the DPA, introduced a code of practice in relation to personal data security breaches. It contains a number of action points that must be put into immediate effect in the event of a personal data security breach, including in certain circumstances the requirement to make a report to the DPC within two business days of the breach being identified. It is therefore absolutely vital that data security breaches are notified to the NTMA's Data Protection Officer as soon as they are identified. The NTMA's Compliance Officer is the Data Protection Officer for the purposes of the Data Protection Acts.

Further information on employees' obligations under the DPA can be accessed on the NTMA's Intranet site (the "Intranet"). In particular, you are required to read and comply with the NTMA's Data Protection Policy and related procedures which are available on the Intranet. Queries regarding the statutory requirements and the NTMA's Data Protection policy and procedures may be raised with the Compliance Unit.

## **5.2 Disclosure of Information – Practical Guidance**

The nature of the NTMA's activities may result in employees becoming privy to confidential information (whether or not amounting to "official information" under the Official Secrets Act or "confidential information" as defined under the NTMA Act 1990, the NPRF Act and the NAMA Act) either in documents or through verbal communication.

Employees shall treat all information obtained through their employment with the NTMA as confidential unless there is clear and unambiguous evidence, instruction or indication to the contrary. Specifically, information relating to the NTMA including any of its businesses (i.e. any of the businesses to which employees are assigned), the State or any organs of the State or State bodies (including without limitation information relating to transactions, dealings, financial, budgetary or



commercial matters), whether or not such information relates directly to the NTMA or any of its businesses, to which employees become privy by virtue of their employment with the NTMA and which is not in the public domain is to be treated as confidential.

Employees must only use confidential information for the lawful and proper performance of their duties. Confidential information may only be communicated to other persons within the NTMA who understand that it is to be kept confidential and on a "need to know" basis in order for them to perform their duties and should never be discussed outside the NTMA.

Employees may not, without authorisation, release information in respect of any aspect of the NTMA's activities to any third party, including news media. Approval of the NTMA must be sought prior to publishing any information, articles, books or letters or giving any lectures or interviews relating to or potentially relating to the activities of the NTMA.

Employees are expected to act professionally and exercise due care at all times in the storage and transmission of mail and documents and the disposal of records, whether electronic or paper.

Confidential information belonging to or in the possession of the NTMA (or any of its businesses) must never be used by an NTMA employee for personal benefit or gain or to advance any personal or private interests, or be communicated for any such purpose to any person within or outside the NTMA.

## **6. CONFLICTS OF INTEREST**

In order to maintain public confidence in the NTMA, employees of the NTMA must be seen at all times to be beyond reproach in the area of actual, potential or perceived conflict of interest situations. It is also important that employees of the NTMA act, and be seen to act, objectively and independently. To this end, employees should ensure that they comply with their statutory obligations with regard to actual and potential conflicts and to the principles set out in this Part. In addition, employees should comply with any policies, procedures and guidance issued by the NTMA with regard to conflicts of interest.

### **6.1 Legal and Fiduciary Obligations**

Each employee of the NTMA has a fiduciary obligation not to put himself or herself in a position in which his or her personal interest would conflict with, or appear to conflict with, his or her duty to the NTMA. For example, a possible conflict situation could arise if an employee, or a member of his or her family, had interests or received personal benefits that made it difficult to perform his or her duties objectively and impartially.

In addition, all employees of the NTMA irrespective of which business unit they are assigned to, are subject to specific legislative provisions in relation to the disclosure of conflicts of interest. Section 13(B) of the NTMA Act 1990 applies to all employees of the NTMA, while employees who are holders

of designated positions of employment pursuant to the Ethics in Public Office Act 1995 (as amended by the Standards in Public Office Act 2001) (the “Ethics Acts”) have additional statutory obligations concerning the disclosure of interests.

The specific legislative provisions that apply are identified below.

#### **6.1.1 National Treasury Management Agency Acts 1990, as amended<sup>4</sup> (the “NTMA Act 1990”)**

##### ***Ongoing Obligation to Disclose Interests:***

Section 13B(1) of the NTMA Act 1990 provides that where a function falls to be performed by a member of staff of the NTMA and the member of staff has a material interest in a matter to which the function relates, the member of staff shall:

- (a) disclose to the Chief Executive the fact of his or her interest and its nature;
- (b) not perform the function, and;
- (c) neither influence nor seek to influence a decision to be made in the matter nor make any recommendation in relation to the matter.

For the purposes of section 13B ‘material interest’ has the same meaning as that which is used in the Ethics Acts (see Section 6.1.2 below).

#### **6.1.2 The Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001 (collectively, the “Ethics Acts”)**

Certain employees of the NTMA are holders of “designated positions of employment” for the purposes of the Ethics Acts. These include employees holding a position equivalent to a principal officer (general service grade/Class B PRSI) in the Civil Service.

##### ***Annual Statement of Interests:***

A person occupying a “designated position of employment” is required *inter alia* to furnish annually a statement of his or her own registrable interests, and those interests, of which the person has actual knowledge, of his or her spouse, civil partner, child or child of his or her spouse, which could materially influence the person in or in relation to the performance of the functions of the position by reason of the fact that such performance could so affect those interests as to confer on or withhold from the person or the spouse, civil partner or child a substantial benefit. Where no registrable interests exist, a nil statement is recommended. The statements must be furnished to the NTMA’s Head of Compliance.

##### ***Ongoing Obligation to Disclose Interests:***

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<sup>4</sup> Amended by the National Treasury Management Agency (Amendment) Act 2014.

Additionally, persons holding a designated position of employment are required to furnish a statement in writing of the facts in which an official function falls to be performed and the person has actual knowledge that he or she or a connected person (as defined in the Ethics Acts) has a material interest in a matter to which the function relates.

A '**material interest**' is defined in the Ethics Acts to include a situation where the consequence or effect of the performance by or a decision made by the person in exercise of a function of his or his position may be to confer on or withhold from the person or a connected person a significant benefit without also conferring it on or withholding it from persons in general or a class of persons which is of significant size having regard to all the circumstances and of which the person or the connected person is a member.

The statement of a material interest must be provided in writing to the NTMA's Head of Compliance. This requirement applies whether or not the interest has already been disclosed in the annual statement of registrable interests.

In such cases where a material interest does arise, the function must not be performed unless there are compelling reasons to do so. If this is the case, a statement of those compelling reasons must be provided to the NTMA's Head of Compliance. Employees should note that in cases where a material interest arises, notwithstanding the provisions of the Ethics Acts, the higher standard required by the NTMA Act, 1990 as amended will apply, i.e. employees may not perform the function concerned and neither influence nor seek to influence a decision to be made in the matter nor make any recommendation in relation to the matter.

There is deemed to be included in the terms of employment under which a person holds a designated position of employment a requirement that the person shall comply with the appropriate sections of the Ethics Acts. Employees should note that compliance with the provision of the NTMA Act 1990 as amended, which deals with the disclosure of interests, does not absolve the person from his or her statutory obligations under the Ethics Acts.

## **6.2 Disclosure of Conflicts of Interest – General Obligations**

Whether or not the foregoing legislative provisions apply to you, if you should find yourself in a position of actual or potential conflict of interest, where there may be a perception of bias or where your impartiality in carrying out your duties may be potentially affected, you should immediately disclose the existence of the conflict of interest in writing to your line manager and to the Head of Compliance.

Persons to whom the Ethics Acts apply must in all situations comply with the provisions contained therein which deal with conflicts of material interests (see 2.1.3. above) and should note that compliance with the provisions of the NTMA Act 1990, which deal with conflicts of interests, does not remove from the person his or her statutory duties under the Ethics Acts.

Appropriate action where an actual or potential conflict of interest arises may include a requirement that employees cease wholly or in part to be involved in the matter giving rise to such conflict. Examples of matters that should be disclosed include:

- a) Any conflict, or potential conflict of interest arising by virtue of any interest, shareholding, business or professional relationship or other possible conflict of interest an employee has with any individual, firm, company or other entity from which the NTMA purchases or may purchase supplies, works or services or with which the NTMA has any other dealings; and
- b) Any interest of an employee's family member, of which the employee is aware, which could involve such a conflict of interest.

### **6.3 Political Activities and Company Directorships**

The terms and conditions of each employee's contract of employment provide that he or she must not engage in any activity that could give rise to a conflict of interest or that may be detrimental to the activities or the reputation of the NTMA. Similarly, for these reasons employees may not be a member of, or otherwise involved with, a political party or other political organisations or movements. Employees should note that pursuant to Section 10 of the NTMA Act 1990, a person who is a member of either House of the Oireachtas, the European Parliament or a local authority is disqualified from being employed in any capacity by the NTMA.

The primary duty of loyalty of employees is to the NTMA and any activities that conflict with this duty are prohibited. Any company directorships which you now hold or are invited to hold at a future date must be disclosed to your business unit head, the Head of HR and the Head of Compliance. The holding of all such directorships is subject to the consent of the Chief Executive of the NTMA (or his delegate as the case may be). As a broad yardstick, it should be anticipated that requests for consent will be declined, particularly in the case of directorships of companies engaged in the financial services industry. The position with respect to partnerships, joint ventures, business relationships or other similar roles will be the same as for company directorships.

### **6.4 Personal Benefits**

Employees may not directly or indirectly solicit or accept gifts, sponsorship, invitations or other benefits if it might influence, or appear to influence or compromise their objectivity in carrying out their duties or otherwise negatively affect their position or any business decision of the NTMA or any business area to which they are assigned or providing services to, specifically the SBCI or NAMA. Further information in this regard is contained in the NTMA's Gifts and Hospitality Policy, with which employees must comply. The policy may be accessed on the Intranet or is available on request from the Compliance Unit.

## **6.5     Anti-Bribery and Anti-Corruption**

Employees must never offer or accept a bribe and must not knowingly participate in or facilitate corrupt or illegal activities.

All employees of the NTMA are subject to the provisions of the Prevention of Corruption Acts 1889 to 2010 (the “Prevention of Corruption Acts”). In particular, employees should note that section 4 of the Prevention of Corruption Act 2001 regarding proceedings against persons holding particular categories of public office (including employees of the NTMA) reverses the burden of proof. Thus, where in proceedings against a public office holder it is shown that a person who gave a gift, consideration or advantage to a public office holder had an interest in the way the public office holder discharged certain functions specified in Section 4 of the Prevention of Corruption Act 2001, such public office holder is presumed to have acted corruptly unless the contrary can be proved.

It is important to note that compliance with the provisions of the NTMA’s Gifts and Hospitality Policy will not relieve employees of the NTMA from potential liability under the Prevention of Corruption Acts. For example, senior management pre-approval of a request to accept a gift or hospitality, which is given in good faith and as required by the Gifts and Hospitality Policy, will not relieve an employee of liability under the Prevention of Corruption Acts if that gift or hospitality was in fact received corruptly by the employee.

## **6.6     Conflicts of Interests between Business Units**

The previous sections focussed on personal conflicts, i.e between employees’ own personal interests and the duties they owe to the NTMA. This section addresses another type of conflict situation that could arise in the performance of the duties and obligations of employees.

A conflict of interest could arise where the NTMA has potentially conflicting duties to two or more parties. In this instance all parties on whose behalf the NTMA is acting must be treated fairly and professionally and on no account must confidential information relating to one party be disclosed to or used for the benefit of another party or for any personal gain on the part of either any employee or the NTMA.

Due to the range of the NTMA’s activities it is possible that actual or potential conflicts of interest may arise. It is the responsibility of senior management within the NTMA to ensure that actual or potential conflicts of interest that could arise, including those that may arise within a business unit, are kept under review on an ongoing basis. A Conflicts Management Committee is in place to consider any actual or potential conflicts of interest that are identified and to determine the appropriate course of action to be taken in order to ensure that they are managed appropriately.

### **6.6.1   Chinese Walls**

Where there is potential for conflicts of interest to arise between or within business units, it is important that steps are taken to avoid them where possible and where they cannot be avoided to

put arrangements in place to manage those conflicts. One such arrangement is a “Chinese Wall”, which involves the implementation of controls and procedures to restrict the flow of sensitive information between different business areas or within a specific business area on a strict “need to know” basis. The NTMA’s Chinese Walls arrangements include restricted access to certain office areas and centralised control of access to servers and databases, which is managed by the NTMA’s IT Unit.

Where specific access controls are in place to certain office areas, access is restricted to staff assigned to or directly involved in ongoing work with the relevant business unit. Employees are required to respect these access restrictions and those assigned to the restricted business units should be vigilant in ensuring that access points are locked when the office area is unoccupied and where access is password controlled, under no circumstances should the password be shared with anybody outside of the business unit.

As set out in Section 5.2, employees of the NTMA are obliged to use the information they receive in the course of their work only for the purposes for which it is obtained and are prohibited from communicating any such information to any other business unit except where strictly necessary for the lawful and proper performance of their duties. This restriction on the disclosure of information also applies to areas within the same business unit, where an actual or potential conflict of interest has been identified within the business unit. Particular care should be taken not to pass on information or documents to persons who do not have systems access to the data concerned, without getting consent to do so from your line manager.

From time to time insider lists may be maintained for certain business units, in respect of information of a market sensitive nature which is being handled by the business unit. Only persons whose names are on the insider list may be provided with the restricted information. Insider lists will be subject to the oversight of the Conflicts Management Committee.

Employees must also comply with specific policies or procedures regarding conflicts of interest that may be implemented within their business unit.

### **6.5.2 Controls on Information**

In order to safeguard confidential information and, where relevant, personal data, all employees should comply with the following best practice irrespective of whether the Chinese Wall referred to in 6.5.1 applies directly to them:-

- a) All commercially sensitive or confidential documents should be locked in desks or filing cabinets when not being actively used and they should not be left on desks overnight;
- b) Access to such documents should be restricted to essential personnel;
- c) Access to confidential information maintained on the NTMA's databases or computer systems should be restricted to essential personnel;

- d) The number of copies made of any such documents should be kept to the minimum required for the business purpose and circulated only as essential on "strictly private and confidential" terms. When no longer required, additional copies should be shredded;
- e) Confidential documents that are to be destroyed must be shredded;
- f) Code names should be used for highly sensitive transactions;
- g) Caution should be exercised in conversations (however informal) to avoid the inadvertent disclosure of information. In particular, care should be taken in public places such as pubs, restaurants, lifts, on public transport and in the shared areas in Treasury Building.

## 7. MARKET ABUSE

The following is a summary of the legal framework which applies to transactions and activities involving financial instruments, including the conduct of market abuse. The laws which govern behaviour in relation to the buying and selling of financial instruments apply to all persons, however, employees of the NTMA who have access to "inside" or "confidential" information regarding financial instruments and the issuers of such instruments are particularly affected and must be aware of the rules that apply.

A breach of the laws or rules against market abuse is separate from the NTMA rules pertaining to personal account transactions and may result in the imposition of criminal and civil penalties separate from those that may be imposed as a result of a disciplinary proceeding conducted by the NTMA.

### 7.1 Insider Dealing and Inside Information

Employees who have access from time to time to "inside" or "confidential price sensitive" information regarding financial instruments and the issuers of such instruments should be aware that it is a criminal offence for a person who is in possession of "inside information" to:

- (a) Engage or attempt to engage in insider dealing*
- (b) Recommend to another person or induce another person to engage in insider dealing, or*
- (c) Unlawfully disclose inside information.*

The relevant legislation is the Market Abuse Regulation (2014/596) ("MAR"), which from 3 July 2016 replaces, expands and develops the EU market abuse regime under the Market Abuse Directives.

"*Inside information*" is defined as information of a precise nature, which has not been made public, relating to one or more financial instruments or to one or more issuers, and which, if it were made public, would be likely to have a significant effect on the price of those financial instruments or, as the case may be the financial instruments of those issuers. Inside information is likely to have "*a significant effect*" on price if it is information that a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

For the purposes of MAR a “*financial instrument*” includes a broad range of securities including shares, bonds, financial contracts for differences, units in collective investment undertakings and certain derivatives.

**Insider dealing:** Under MAR, insider dealing occurs where a person possesses inside information and uses that information to acquire or dispose of, for his/her own account or for the account of a third person, directly or indirectly, financial instruments to which that information relates. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates, where the order was placed before the person concerned possessed the inside information, is also insider dealing.

**Recommending or inducing insider dealing:** An offence of recommending or inducing another person to engage in insider dealing arises where a person, who possesses inside information, on the basis of that information recommends to or induces another person to acquire or dispose of financial instruments to which the inside information relates or to amend or cancel an order concerning such financial instruments.

**Unlawful disclosure of information:** An offence of unlawfully disclosing inside information is committed where a person discloses inside information other than in the proper course of the person’s employment, profession or duties.

MAR applies, inter alia, to inside information acquired in the course of employment or office and to any inside information howsoever acquired, where the person in possession of the inside information knows or ought to know that it is inside information.

There is a presumption under MAR that, where a person in possession of inside information acquires or disposes of, or attempts to acquire or dispose of, for his own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates, such person has “used” the inside information.

## **7.2     Market Manipulation**

MAR also prohibits market manipulation and attempted market manipulation.

Market manipulation involves a person engaging in behaviour (including dissemination of false or misleading information) which gives or is likely to give false or misleading signals as to the supply of, demand for or price of a financial instrument or related contract.

## **7.3     Particular Points to Note**

- Employees of the NTMA may have access from time to time to inside information, e.g. employees involved in activities relating to the NTMA’s role as an issuer of bonds and other debt instruments on behalf of the State and employees who are involved in roles that



provide them with potential access to inside information in respect of third party issuers including certain employees assigned/providing services to NAMA, NewERA, the NPRF Unit, the Ireland Strategic Investment Fund (“ISIF”) or the SBCI.

- The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates will also amount to insider dealing, where the order was placed before the person concerned possessed the inside information.
- The transaction does not have to be for a person’s own account for the transaction to amount to insider dealing.
- The disclosure of inside information to another person other than in the normal course of the exercise of a person’s employment, profession or duties, and /or recommending or inducing another person to acquire or dispose of financial instruments is an offence in itself and does not require that the other person deals or attempts to deal in order for an offence to have been committed under MAR.

#### **7.4 Personal Account Transactions**

Employees of the NTMA must comply with the NTMA codes and rules on personal account transactions, which may be accessed on the Intranet or which are available on request from the Compliance Unit.

#### **7.5 Penalties**

The Criminal Sanctions for Market Abuse Directive (2014/57/EU) (“**CSMAD**”), as implemented in Ireland by the European Union (Market Abuse) Regulations 2016, complements MAR by introducing minimum rules for criminal sanctions for market abuse. Sanctions for market abuse can include fines and imprisonment for a term of up to 10 years on conviction as well as civil liability and administrative sanctions imposed by the Central Bank.

#### **7.6 Enforcement**

The Central Bank is the Irish competent authority with authority for enforcement of MAR. Mar also makes provision for the exchange of information with similar authorities in respect of each regulated market on which the financial instruments are admitted to trading or are the subject of a request to be admitted to trading.

#### **7.7 Queries**

As MAR and CSMAD are relatively complex pieces of legislation, if you are in any doubt at all about your position, please raise any questions you may have with the Compliance Unit.

## **8. MISCELLANEOUS**

### **8.1 Protected Disclosures Policy**

The purpose of this policy is to promote principles of good corporate governance by providing a procedure for reporting concerns about possible wrongdoing in matters of financial reporting or other matters that may contravene the law. The policy is intended to encourage and enable NTMA employees to raise serious concerns of suspected wrongdoing.

If an employee is unsure about whether or not an offence or other serious wrongdoing has or is being committed, or if the employee is uncomfortable about reporting an issue, the Protected Disclosures Policy provides for a number of reporting options including making a report to the appointed external contact under the policy. The Policy may be accessed on the Intranet or is available on request from the Compliance Unit.

### **8.2 Anti-Fraud Policy**

The NTMA, NAMA and the SBCI are each responsible for safeguarding the assets under their control and for taking all reasonable steps for the prevention and detection of fraud and other irregularities. Each has implemented an anti-fraud policy that requires employees to:

- Remain vigilant to the risk of fraud within their area of responsibility;
- Report any suspicion of fraud in accordance with the reporting procedure set out in the policy;
- Provide such additional information or assistance to an investigation as required; and
- Keep their report confidential.

The NTMA, NAMA and the SBCI will not accept fraud or the concealment of fraud, whether internal or external, and it is mandatory for employees of the NTMA to report any suspicions of fraud.

A copy of the NTMA anti-fraud policy may be accessed on the Intranet or is available on request from the Compliance Unit. The NAMA and SBCI anti-fraud policies are available on request from the Compliance Unit.

### **8.3 The Freedom of Information Act 2014 (the “FOI Act”)**

The FOI Act enables members of the public to obtain access to records held by the NTMA (and the SBCI and NAMA), so far as possible having regard to rights of privacy and the public interest. The NTMA is required to comply with the FOI Act. Employees should note that all records they create may be the subject of FOI requests, and on receipt of an FOI request, destroying any records relevant to the request is an offence pursuant to Section 52 of the FOI Act. Queries regarding the FOI Act can be addressed to the FOI Unit.

#### **8.4 Social Media Policy**

NTMA employees are not permitted to establish any presence on social media on behalf of the NTMA and/or any related entity or to alter any approved presence unless expressly authorised to do so. Only persons expressly authorised by the NTMA Chief Executive (or, in the case of NAMA, the NAMA Chief Executive Officer and in the case of the SBCI, the SBCI Chief Executive Officer) may make postings on social media for and on behalf of the NTMA, NAMA or the SBCI and/or relating to their respective business practices, activities or procedures. No employee may discuss or post or comment on information regarding the business practices, activities or procedures of the NTMA, NAMA or the SBCI and/or any related entity on social media, nor should they make any postings which might be perceived to relate to the business practices, activities or procedures of the NTMA, NAMA or the SBCI and/or any related entity whether during or outside working hours. Further information is contained in the NTMA's Social Media Policy which may be accessed on the Intranet or on request from the NTMA's Compliance Unit.

#### **8.5 Telephone Call Recording Policy**

Officers should note that telephone lines located in the following areas are recorded:

- calls received in to the NTMA (including NAMA and the SBCI) switchboard for the duration of the call between the caller and the staff member operating the switch. As soon as the call is transferred from the switch to an unrecorded extension number within the NTMA, the call recording terminates;
- calls to and from the dedicated dealer lines and extension numbers of staff involved in dealing activities in the NTMA Funding and Debt Management Unit, including internal calls and calls received on a direct dial basis and calls to and from the dedicated deal confirmation lines located in the Transaction Processing area of the Finance Technology and Operations Unit.

The NTMA's Telephone Call Recording Policy, which sets out the purposes for which calls are recorded, access to call recordings etc, can be accessed on the NTMA Intranet or on request from the NTMA's Compliance Unit.

#### **8.6 IT Security and Internet and Email Usage**

Officers must comply with the NTMA's IT security policies and procedures, including those relating to internet and email usage.

### **8.7     Right to Update**

The NTMA reserves the right to update, add to and/or amend the provisions of this Code, and introduce additional codes of practice, at any time.

### **8.8     Understanding the Code**

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

### **8.9     Captions**

Captions used in this Code are for ease of reference only and shall not affect the interpretation of its provisions.