

# **CODE OF CONDUCT FOR MEMBERS OF THE NATIONAL TREASURY MANAGEMENT AGENCY AND ITS COMMITTEES**

## **1. INTRODUCTION**

This Code of Conduct (“Code”) applies to all members of the National Treasury Management Agency (the “Agency”) and committees established pursuant to Section 5A and 5B of the National Treasury Management Agency Act 1990 (as amended) (the “Committees”). The Code was adopted by the Agency at its meeting of 10 July 2018<sup>1</sup>. The Code underscores the Agency’s commitment to the highest standards of ethical conduct.

While it is not possible for a set of rules or guidelines to provide for all situations that may arise, Agency and Committee members are expected to ensure that all their activities are governed by the ethical standards reflected in this Code in letter and in spirit.

## **2. OBJECTIVES**

The objectives of this 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.

## **3. COLLECTIVE RESPONSIBILITY**

Agency and Committee members must observe and uphold the collective responsibility of the Agency and/or respective Committee(s) of which they are a member.

## **4. GENERAL CONDUCT**

Agency and Committee members must always be guided in their actions by the provisions of the National Treasury Management Agency Acts 1990 to 2014 as well as by their general responsibilities to act lawfully, faithfully, competently and in the best interests of the Agency.

Agency and Committee members should be loyal and committed to the Agency and remain mindful that the organisation itself must at all times take into account its functions as a State body.

Agency and Committee members should use their reasonable endeavours to attend all Agency/Committee meetings.

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

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<sup>1</sup> Supersedes the version adopted by the Agency at its meeting on 12 July 2016.

- disclosure of outside employment/business interests in conflict with or in potential conflict with the business of the Agency;
- 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;
- ensuring a culture within the Agency of claiming expenses only as appropriate to business needs and in accordance with good practice in the public sector generally;
- avoidance of use of the Agency's resources for personal gain or for the benefit of persons/organisations unconnected with the Agency or its activities;
- commitment not to acquire information or business secrets by improper means and to fairness in all business dealings; and
- commitment to compliance by the Agency with employment equality and equal status legislation and to the Agency promoting and preserving the health and safety of employees.

## **5. OBLIGATIONS**

Agency and Committee members must at all times exercise due care, skill, prudence and diligence, acting in the utmost good faith in the discharge of their functions. In this regard, Agency and Committee members should take reasonable steps to ensure that:

- all regulatory and statutory obligations imposed on the Agency are fulfilled;
- all applicable tendering and purchasing procedures are complied with;
- there are adequate controls in place to prevent fraud;
- the Agency's accounts/reports accurately reflect its performance and are not misleading or designed to be misleading.

## **6. CONFIDENTIALITY**

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

- supporting the provision of access to general, non-commercially sensitive information relating to the Agency's activities in a way that is open and enhances its accountability to the general public;
- respecting the confidentiality of sensitive information held by the Agency;
- taking particular care to safeguard adequately all Agency documents;
- observing appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest;
- complying with relevant statutory provisions.

In relation to the latter, the attention of Agency and Committee members is drawn to their obligations under the National Treasury Management Agency Act, 1990 (as amended), the Official Secrets Act 1963, Data Protection Law<sup>2</sup>, and the Market Abuse Regulation (2014/596).

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<sup>2</sup> "Data Protection Law" means the General Data Protection Regulation (No 2016/679) ("GDPR") and the Data Protection Acts 1988 to 2018.

Agency and Committee members must treat all information obtained in the course of performing their duties on behalf of the Agency as strictly confidential unless there is clear and unambiguous evidence, instruction or indication to the contrary. Specifically, information relating to the Agency, the State or any organs of the State or State bodies, whether or not such information relates directly to the Agency, to which Agency and/or Committee members become privy and which is not in the public domain, is to be treated as confidential.

Agency and Committee members should be aware that the non-disclosure obligation in respect of privileged or confidential information does not cease when their membership of the Agency and/or Committees has ended<sup>1</sup>.

## **7. CONFLICTS OF INTEREST AND DISCLOSURES OF INTERESTS**

In order to maintain public confidence, Agency and Committee members 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 Agency and Committee members act, and be seen to act, objectively and independently. To this end, Agency and Committee members should ensure that they comply with their statutory obligations with regard to actual and potential conflicts.

Agency and Committee members' statutory obligations in respect of conflicts of interest derive from the Ethics in Public Office Act 1995 as amended by the Standards in Public Office Act 2001<sup>3</sup> and Section 13A of the National Treasury Management Agency Act 1990 (as amended). In summary, these obligations require:

- (a) Members of the Agency and Investment Committee to provide an annual statement of interests to the Standards in Public Office Commission and the Chairperson of the Agency (nominated Agency member in the case of the Chairperson of the Agency);*
- (b) On an ongoing basis, members of the Agency and Committees to disclose material interests to fellow Agency/Committee members in respect of any matter that falls to be considered by the Agency or Committee.*

The Code of Practice for the Governance of State Bodies, which has been adopted by the Agency, contains a number of supplementary obligations in relation to the disclosure of interests, including the disclosure of interests on appointment and annually thereafter and the maintenance of a register of interests.

Agency and Committee members should note the following:

- The Chairperson of the Agency and/or Committee has a determining role where an issue in regard to a conflict of interest arises;
- The ongoing obligation to disclose material interests as they arise applies even though the interest may have been already disclosed in the annual statement of interests;
- Disclosures of material interests to fellow Agency and Committee members must be in writing;

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<sup>1</sup> Section 5.6 of the Code of Practice for the Governance of State Bodies.

<sup>3</sup> Members of the Agency and the Investment Committee are holders of designated directorships pursuant to the Ethics Act in Public Office Act 1995 as amended by the Standards in Public Office Act 2001.

- If an Agency or Committee member is deemed to have a material interest, he/she must neither influence nor seek to influence any decision in relation to the matter, take no part in any consideration of the matter, absent him/herself from the meeting or that part of a meeting during which the matter is discussed and not vote on a decision relating to the matter.

Agency and Committee members should take particular care when dealing with third parties not to suggest or to imply that they are prepared to intervene with the Agency on their behalf in any unusual or abnormal fashion.

Both current and former Agency and Committee members, in considering whether or not to accept any position or role, should give due weight to whether the position or role would be likely to<sup>2</sup>:

- compromise their ability to comply with current and continuing obligations to respect the confidentiality of information obtained as a member of the Agency or a Committee and in the case of former members, whether a sufficient amount of time has elapsed so as to remove any perception of a conflict of interest; and
- cause material damage to the Agency if such damage would not otherwise have arisen had they not been a member of the Agency or Committee.

In this regard, members of the Agency and Committees are reminded that the Agency's 'Other Appointments Procedure' applies to current appointed members and former members of the Agency and Committees.

## **8. INSIDE INFORMATION AND MARKET ABUSE LEGISLATION**

Agency and Committee members may potentially have access from time to time to "inside" or "confidential" information regarding financial instruments and the issuers of such instruments. As such, Agency and Committee members 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*
- (b) Unlawfully disclose inside information.*

The relevant legislation is the Market Abuse Regulation (2014/596) ("**MAR**").

"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,

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<sup>2</sup> Sections 5.5 of the Code of Practice for the Governance of State Bodies recommends that the acceptance of further employment where the potential for conflict of interest arises should be restricted during a reasonable period of time after the exercise of a function in the State Body has ceased.

financial contracts for differences, units in collective investment undertakings and certain derivatives.

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.

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.

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.

Sanctions for breach of MAR can include imprisonment and fines on conviction, civil liability and administrative sanctions imposed by the Central Bank.

On a general basis, Agency and Committee members should not engage in personal account dealing, which might in any way endanger or adversely affect the business or the reputation of the Agency, or which might conflict with or interfere with the performance of their duties on behalf of the Agency. Members of the Agency and Committees are required to comply with any policy and/or procedures adopted by the Agency in respect of personal account transactions.

## **9. REVIEW**

This Code will be reviewed at least every two years by the Agency.