



## **Special Staff Rule relating to Article 3 of the Staff Regulations**

September 1997  
(last revised 25 October 2006)

### **Code of Conduct**

#### **I. General**

- (1) Pursuant to Article 3 of the Staff Regulations, all members of staff are required to conduct themselves in accordance with the following general principles:
  - maintain the highest standards of conduct both at and outside the Bank;
  - devote their working activities to the service of the Bank;
  - avoid possible conflicts of interest with other activities;
  - not accept other functions or employment unless expressly authorised to do so by the Bank; and
  - maintain the utmost discretion with regard to confidential information concerning the Bank.
- (2) The purpose of this Code of Conduct (the “Code”) is to specify in more detail the above-mentioned general principles and the way they are applied. The Code, which is subject to amendment by decision of the General Manager in consultation with the Bank’s Executive Committee, forms an integral part of the Bank’s conditions of employment. It should be read in conjunction with the service notes implementing certain of its provisions (“relevant service notes”).
- (3) The Code is applicable to any person employed by the Bank, including the General Manager and the Deputy General Manager (for the purposes of the Code, “Member of Staff”). On an annual basis, at the time of their performance review, Members of Staff will be required to confirm their awareness of the Code and relevant service notes in a form to be prescribed by the Head of Compliance.
- (4) The Bank expects all Members of Staff to exercise care and sound judgment in performing their duties. Where this Code sets out a specific standard of conduct, Members of Staff must conform to it. In other instances, Members of Staff should follow the spirit of the Code. It is incumbent on every Member of Staff to avoid not only real impropriety but also the appearance of impropriety.
- (5) Members of Staff should consult their line manager or the Head of Compliance if they have any questions about the interpretation or application of the Code or any relevant service note.
- (6) With the prior approval of the Chief Administrative Officer and the Head of Compliance, the head of department or service of a Member of Staff may, if necessary, authorise exceptions to the Code on a limited basis.



- (7) Members of Staff are free to use, without fear of reprisal, the existing institutional channels for conflict resolution (including the Grievance Procedure), and to express concerns to their line manager or to the Head of Compliance about situations which are, or have the potential to be, an infringement of the Code. Members of Staff shall not be prejudiced in any way for preventing or reporting an infringement of the Code.
- (8) The Compliance Unit is responsible for monitoring compliance with the Code and relevant service notes. In the event of an infringement of the Code, the Bank is entitled to take appropriate steps, including disciplinary measures, in respect of the person concerned; in case of a serious infringement, such steps may include immediate dismissal, a claim for damages or civil or criminal prosecution.
- (9) Any dispute arising in matters of employment relations between the Bank and a Member of Staff, including a dispute regarding compliance with the Code, will be finally decided by the Administrative Tribunal of the Bank.

## II. Standard of conduct

In the interests of their professional standing, and to protect the reputation of the Bank, Members of Staff shall maintain the highest standards of conduct both at and outside the Bank.

### (1) *Basic principles*

- (i) Members of Staff shall act honestly and impartially, and carry out their duties diligently, efficiently and to the best of their abilities.
- (ii) Members of Staff are required to devote their working hours to the interests of the Bank. In particular, they may not conduct other activities in or from within the Bank in ways that interfere with the performance of their professional duties.
- (iii) Members of Staff should, as far as possible, avoid committing the Bank to a transaction or taking (or influencing) a decision on the Bank's behalf in a situation where the outcome may be detrimental to the interests of the Bank or its customers.
- (iv) Members of Staff should treat all their colleagues with courtesy and respect, without harassment or physical or verbal abuse. Members of Staff should avoid behaviour that, although not rising to the level of harassment or abuse, may nonetheless create an atmosphere of hostility or intimidation.
- (v) Members of Staff shall avoid any form of discrimination based on race, nationality, gender, age, physical disability, sexual preference, political opinions, or religious convictions.
- (vi) Members of Staff are responsible for ensuring that Bank resources, including Bank funds and facilities, are used for business purposes only, unless private use is permitted under a relevant service note or other internal rule. They should also ensure that Bank resources are used in an appropriate manner and that reasonable measures are taken to limit costs and expenses incurred by the Bank. With respect to travel on official business of the Bank, the provisions of the relevant service note apply.

### (2) *Avoidance of potential conflicts of interest*

- (i) Members of Staff shall, as far as possible, avoid any situation where their private or personal interests may conflict with their duties to the Bank. "Private or personal



interests” means any potential benefit or advantage for themselves, their spouse or partner, a member of their family, a relative or a friend. In particular:

- Members of Staff who have influence over the existence or extent of the Bank’s business relationship with a counterparty may not use that influence in order to benefit themselves, their spouse or partner, or their family, relatives or friends;
  - unless expressly authorised by the Head of Compliance, Members of Staff shall not participate in the Bank’s negotiations with a counterparty where their spouse or partner or a member of their family is employed; and
  - personal financial transactions are to be conducted in accordance with the Bank’s policy as set out in the service note “*Personal Account Transaction Rules*”.
- (ii) Members of Staff may not accept any gift of more than modest value or hospitality from any third party in connection with their duties to the Bank, except in the circumstances set out in the relevant service note. In particular, due care should be taken to avoid any impression of seeking or accepting any advantages from potential or current business partners of the Bank. Members of Staff may not accept any gift in cash or the equivalent of cash (eg a voucher), or any offer by a third party to pay their travel expenses.
- (iii) Members of Staff involved in negotiations concerning prospective employment with another employer should behave with integrity and discretion. If the prospective employment is with an institution with which the Bank has an existing or prospective business relationship, Members of Staff shall abstain from any activity relating to the prospective employer that may place the Member of Staff in a conflict of interest situation as described above.

### **(3) External activities**

- (i) The privileges and immunities which Members of Staff enjoy pursuant to the Headquarters Agreement of the Bank and the host country agreements concluded by the Bank are intended solely to ensure the freedom of action of the Bank and the complete independence of the persons concerned in carrying out their duties with respect to the Bank. These privileges and immunities shall in no way exempt Members of Staff from fulfilling their private obligations or from complying with applicable national laws and regulations.
- (ii) Members of Staff may not, unless expressly authorised to do so by the Chief Administrative Officer of the Bank:
- accept other business functions, professional employment, or remuneration for services rendered concurrent with their employment by the Bank;
  - become a candidate for or accept appointment to any public office. Members of Staff may exercise their political rights (such as voting, making political contributions, and participating at the local or community level) but shall refrain from participating in political activities - both at and outside the Bank - which may interfere or conflict with their professional duties or their status as officials of an international organisation;
  - act as representative, agent or counsel for third parties with regard to banking operations, investment services, information systems or real estate business; or



- be a member of a board of directors or trustees or other controlling organ of any kind of external business enterprise.
- (iii) Members of Staff should refrain from entering into commitments which would involve an obvious risk of leading them into financial difficulties.
- (iv) Members of Staff shall not engage in any activity which may be deemed to constitute the use of inside information.
- (v) Members of Staff shall avoid any payments that may improperly influence officials, business partners or other individuals. They must exercise due diligence to ensure that Bank funds are not diverted towards illegal payments of any kind.

#### **(4) *Contacts with the media and publications***

- (i) Contacts with the media and public statements relating to the policies or activities of the Bank, whether made orally or in writing, are the responsibility of the General Manager or the Deputy General Manager, or Members of Staff authorised by them.
- (ii) Subject to (i) above, any publication or public statement by a Member of Staff should avoid giving the impression that the Bank assumes any responsibility for its contents and should not damage the reputation of the Bank. If necessary, an appropriate disclaimer should be included stating that the opinions expressed are purely private. With respect to publications, in areas connected with the Bank's activities, the relevant head of department or service should be informed in advance of any intended publication and be given the opportunity to make observations or raise objections. With respect to articles and editorials contributed to financial newspapers or periodicals, the provisions of the relevant service note apply.
- (iii) The Bank owns the copyright on all written material produced by Members of Staff in the course of their professional duties, and has the right to publish such work in a manner it deems appropriate, after consultation with the Member of Staff concerned. If the Bank does not choose to publish the work of a Member of Staff, he/she may, with the approval of the relevant head of department or service, publish the work elsewhere. The same approval is required for a work prepared in the Member of Staff's own time, or prior to joining the Bank, if the subject of the work relates to the Bank or its activities.
- (iv) Members of Staff may not accept any remuneration from a third party for any work produced in the course of their professional duties.
- (v) Members of Staff may participate in conferences and seminars which are related to the activities of the Bank or contribute to enhancing their professional knowledge and skills, with the prior approval of the relevant head of department or service.

### **III. *Duty of confidentiality***

- (1) Members of Staff are required to maintain the utmost discretion - both within and outside the Bank - with regard to any non-public information which may come into their possession in the course of or in connection with their employment by the Bank. Such information may not be disclosed to persons who are not clearly entitled to receive it.
- (2) In particular, all information concerning banking transactions, security measures or the personnel of the Bank and their terms of employment, as well as any unpublished statistical data, are subject to the duty of confidentiality.



- (3) The duty of confidentiality applies with respect to all non-public information, be it oral or written, or stored using electronic media. Examples include memoranda, letters, minutes of meetings, accounting vouchers, data stored on paper or on magnetic or electronic media, computer programs, program documentation, photographs and technical drawings, as well as copies of any of the above.
- (4) By way of exception, the duty of confidentiality does not apply to the extent that communication of non-public information forms part of the official duties of Members of Staff or in any case in which, notwithstanding the immunities of the Bank, Members of Staff have a legal obligation to disclose information or to testify before a court.
- (5) The duty of confidentiality extends beyond the termination of employment by the Bank.

#### **IV. Special precautions with regard to documents, removable electronic media and computers**

- (1) Non-public information held on paper or removable electronic media shall be kept in an appropriate place in order to protect its confidentiality and should be handled in accordance with any rules and procedures established for that purpose. Non-public information may only be taken outside the Bank in accordance with the protection measures set out in the relevant service notes implementing the Bank's information security policy.
- (2) As regards the shredding of documents and disposal of electronic storage media, the provisions of the relevant service note apply.
- (3) All due care must be taken in order to prevent the infiltration of computer software by computer viruses, unauthorised access to computers and the information stored in computers and computer media, and the unauthorised use, modification or destruction of any data stored therein.
- (4) In this connection, the provisions of the relevant service notes relating to the use of computers apply. Individual departments or services within the Bank are entitled to issue additional rules on the use of computers, which will be binding on the Members of Staff concerned.

#### **V. Special provisions with regard to banking-related activities**

Members of Staff involved in banking-related activities shall comply at all times with the principles of integrity, fairness and professionalism and observe the rules, limits and procedures laid down in the BIS Risk Manual and the General Rules and Procedures for Banking-Related Activities and other relevant documents (together, the "Banking Rules"). The Compliance Unit is responsible for monitoring compliance with the Banking Rules.

#### **VI. Entry into force**

This revised version of this Special Staff Rule takes effect on 25 October 2006.

Malcolm D Knight  
General Manager