



*Banco de Portugal*

EUROSISTEMA

**Code of Conduct for the Employees of  
Banco de Portugal**

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## **Preamble**

The Code of Conduct of Banco de Portugal came into force on 1 January 2005 and sufficient time has elapsed to judge whether it needs revising. That experience and the developments found in central banks of other countries, especially the alterations introduced into the Staff Rules containing the Ethics Framework of the European Central Bank in the interim, have warranted the drafting of a new code of conduct for Banco de Portugal, with the principles of the prior version essentially being retained.

The existence of a Code of Conduct for Banco de Portugal is warranted by the delicate nature of the tasks allocated to this Bank by the Constitution of the Portuguese Republic, EU treaties and law. Furthermore, from the viewpoint of citizens and institutions, Banco de Portugal's particular visibility and specific intervention in the Portuguese community create the legitimate expectation that its employees behave in accordance with high ethical standards.

The Code does not lay down conduct in compliance with law, as respect for the rule of law is intrinsic to the activities of any of Banco de Portugal's employees. It goes further, establishing behavioural parameters beyond scrupulous compliance with law, that meet the ethical standards expected of the employees of Portugal's central bank.

Within the Portuguese legal framework, the Code of Conduct lays down a set of behavioural recommendations that Banco de Portugal expects all its employees to follow, thereby contributing to the Bank's good image and strengthening citizens' and institutions' trust in Banco de Portugal. Failure to comply with the regulations does not lead to any disciplinary process, nor does it affect legal, conventional or contractual rights. It aims, as has been mentioned, to define standards of behaviour that comply in ethical terms with the responsibilities concomitant with the Bank's professional activity, while clarifying that it is incumbent on the Bank, principally its line managers, to analyse potential risk situations and take the appropriate steps to address them.

This revision aims to produce a Code of Conduct that is fundamentally more explicit on certain key points: (i) equality, non-discrimination and prohibition of harassment; (ii) professional secrecy, protection of personal data and inside information; (iii) gifts, awards and other benefits or compensation; (iv) private financial activities and conflicts of interest; and (v) intervention from the Ethics Adviser. With regard to the Ethics Adviser and his/her role in assessing compliance of certain conduct with the provisions laid down in the Code, his/her opinions or recommendations are to be taken as the view of the Bank.

## **1. Scope of application**

- 1.1. This Code of Conduct (hereinafter referred to as the "Code") establishes guidelines on professional ethics for all those working for Banco de Portugal (hereinafter referred to as "BdP"), and establishes a benchmark for the public with regard to the behavioural standard expected of BdP in its relationships with third parties.
- 1.2. The Code contains the ethical conventions and standards to follow and clarifies the benchmarks to be used in assessing the degree of compliance with obligations taken on by its employees, without prejudice to other behavioural standards applicable in specific functional areas of BdP.
- 1.3. The Code also applies to the workers on assignment to BdP and temporary workers.
- 1.4. BdP employees assigned to other entities or whose contract is suspended remain bound by the duties of conduct laid down in the Code, aside from those whose nature assumes the effective provision of work.
- 1.5. Upon admission and whenever there are changes to the Code, BdP employees will be invited to sign a declaration that they are aware of the Code's content.

## **2. General duties of conduct**

- 2.1. In their conduct, employees shall show loyalty to BdP, and shall act honestly, independently, impartially, with discretion and without regard to private or personal interests. Employees shall also observe high standards of professional ethics and shall avoid situations liable to cause conflicts of interest, including refraining from any economic or financial transactions that may undermine their independence or impartiality, namely where they benefit from preferential conditions versus those that would be obtained in a similar situation by another citizen that does not work for BdP.
- 2.2. Employees must always carry out the responsibilities and duties assigned to them in BdP in the best way possible, with due care and efficiency, contributing to BdP's effective operation.
- 2.3. They shall be mindful of the importance of their individual duties and responsibilities and citizens' and institutions' expectations of their conduct, within socially acceptable standards, acting in a way that strengthens trust in BdP and contributing to BdP's good image.

## **3. Equality and prohibition from discrimination and harassment**

- 3.1. Employees shall refrain from undertaking any kind of discrimination or harassment, namely on the grounds of race, sex, age, physical ability, sexual orientation, political opinion, religion, ideological beliefs or union membership.
- 3.2. They shall also show mutual consideration and respect, refraining from any kind of mobbing and avoiding behaviours that may reasonably be considered offensive by other employees.
- 3.3. Where possible, reasonable and prudent, employees shall prevent or bring to an end the acts

of harassment or abusive pressure of which they have direct knowledge, in particular by informing the Ethics Adviser.

- 3.4. Employees that report or prevent acts of harassment or abusive pressure, reasonably and prudently, shall not suffer detrimental consequences.

#### **4. Professional secrecy, protection of personal data and inside information**

##### **4.1. Professional secrecy**

- 4.1.1. Employees shall not divulge or release confidential information obtained in the exercise or by virtue of their duties, even after ceasing those duties, to persons outside BdP (including family members), as well as to other BdP employees that do not need that information to carry out their duties, unless that information has already been made public or is publicly available.

- 4.1.2. Authorisation to divulge information within and outside BdP shall be obtained in accordance with the internal rules in force.

##### **4.2. Protection of personal data**

Employees with access to personal data on companies or private individuals, including BdP employees, to credit registry data in the Central Credit Register (CCR), to information used to generate the List of Cheque Defaulters (LCD), to the Accounts of Deceased Holders, to the Banking System's Database of Accounts or to any other personal data held by BdP, shall, in addition to respecting the applicable legal and regulatory provisions, use utmost prudence in the handling of those data, in order to preserve confidentiality, in particular refraining from communicating them to any unauthorised individual, even where that person is under obligation to BdP.

##### **4.3. Inside information**

- 4.3.1. Employees shall not take advantage of information that comes to their knowledge through or by virtue of their duties and that has not been made public or is not publicly available to promote their own interests or those of third parties.

- 4.3.2. Employees are expressly prohibited from taking advantage of such information in any financial transaction or from advising in favour of or against such transactions. This obligation shall continue to apply after the termination of employment with BdP.

- 4.3.3. BdP's tasks and activities involve transactions with financial institutions, as well as a diverse set of other trade relationships, which also involve analysis and decision-making preparation which could influence market behaviour. On the other hand, in the supervision of financial institutions, employees may access inside information on those institutions and other entities with which the former are related, intervening in decision-making processes which affect them. Both in these kinds of relationships and in carrying out any financial transactions, employees shall always act with full independence and impartiality, and in particular shall refrain from carrying out financial transactions of a speculative nature related with that intervention.



- 4.3.4. Employees who, by virtue of their duties, have access to inside information on the monetary policy of the European Union (EU) or exchange rates shall refrain from making any financial investment transaction during the period of seven days preceding the first meeting of a calendar month of the Governing Council of the ECB.
- 4.3.5. Employees who, by virtue of their duties, have access to inside information about the ECB's monetary policy, exchange rate issues, financial transactions of the European System of Central Banks (ESCB), analysis of the ESCB's financial stability, activities of the European Systemic Risk Board (ESRB) or any other market-sensitive information shall refrain from making financial investment transactions in any of the following products:
- a) Shares and related derivative instruments related to monetary financial institutions in the EU, including branches in the EU of third countries' monetary financial institutions;
  - b) Instruments of other collective investment schemes and derivative instruments in respect of which they can exert an influence on the investment policy;
  - c) Derivative financial instruments based on indices that they can influence.
- 4.3.6. When an employee gains access to inside information referred to in subparagraphs 4.3.4 and 4.3.5, he/she shall immediately inform the Ethics Adviser in writing of the relevant financial investments under the preceding subparagraph of which he/she is a holder. The Ethics Adviser shall pronounce on the compatibility of retention of the investments with the duties performed. The obligations defined in the preceding subparagraph continue to apply for one year following the employee's cessation of the above-mentioned duties.
- 4.3.7. Employees shall keep relevant information on the financial activity mentioned in subparagraphs 4.3.4 and 4.3.5 for the preceding and current calendar years, in order to prove their compliance with the rules of this Code, should it be necessary to clear any doubts on abuse of inside information.

## **5. Private financial activities and conflicts of interest**

- 5.1. Employees shall avoid any situation liable to create conflicts of interest, directly or indirectly.
- 5.2. A conflict of interest arises whenever employees have private or personal interests in a given matter that may influence, or appear to influence, the impartial and objective performance of their duties. Private or personal interests mean any potential advantage for themselves, for their family members and their other relations or for their circle of friends and acquaintances.
- 5.3. Employees invited to take part in a decision-making process as part of their duties on a matter in whose handling or outcome they have a personal interest, shall immediately inform their line manager or the Ethics Adviser.
- 5.4. BdP shall take the appropriate measures to avoid conflicts of interest and, if no other measure proves appropriate, shall withdraw the responsibility over a given matter from the employee in question for example.
- 5.5. Employees shall inform their line manager or the Ethics Adviser if the professional occupation of a close family member is liable to cause a conflict of interest. Should the nature of that professional



activity prove to be incompatible with the employee's responsibilities, BdP, after consulting the Ethics Adviser, shall decide whether the employee shall be relieved of responsibility for the relevant matter. For this purpose, close family members are deemed to be the spouse or recognised partner, ancestors, descendants and other members whose relationship with the employee is liable to put him/her in a position of conflicting interests.

## **6. Activities outside BdP**

- 6.1. The performance of professional, academic, scientific or other activities, paid or otherwise, outside working hours, shall not interfere negatively with the employee's obligations to BdP nor give rise to conflicts of interest.
- 6.2. BdP shall be informed in advance of external activities, in order to verify whether any conflict of interest or incompatibility exists, whether due to nature, timing or otherwise, under the provisions laid down in the internal rules in force.
- 6.3. In carrying out political activities, employees shall act in a way that preserves the independence and neutrality of BdP. Employees shall not carry out these kinds of activities during working hours, nor use BdP equipment or facilities for them.
- 6.4. Employees may be members of academic institutions, carry out research, contribute to conferences, write books or technical/scientific articles or carry out other activities of a similar nature. Where these activities have a subject matter that relates to BdP or its tasks, they require prior authorisation from the Board of Directors. Scientific or academic contributions are made in a personal capacity and shall mention explicitly that they do not represent the views of BdP.
- 6.5. In the situations laid down in the previous paragraphs, employees shall always make it clear that they are not representing an official position of BdP and shall avoid situations that may create such an impression under normal circumstances.
- 6.6. In case of doubt over conflicts of interest or incompatibilities between the duties undertaken for BdP and other activities, employees should request prior opinion from the Ethics Adviser.

## **7. Relationships with external entities and the general public**

### **7.1. Prevention of external influences**

- 7.1.1. The principle of independence is enshrined in Article 7 of the Statute of the ESCB and of the ECB, in conjunction with Article 3 of the Organic Law of Banco de Portugal.
- 7.1.2. In all external contact, employees shall act in compliance with that principle, not seeking or taking instructions from any government, authority, entity, organisation or individual outside BdP.
- 7.1.3. Should employees become aware, in the performance of their duties or as a result of them, of any attempts by institutions, entities or third parties to unduly influence BdP, they shall inform their line managers of this fact.



## **7.2. Behaviour regarding professional occupations outside BdP**

- 7.2.1. Employees shall act with integrity and discretion in any negotiations concerning prospective professional occupation outside BdP and the acceptance of such employment.
- 7.2.2. As soon as such negotiations begin or the possibility of them arises, the employees in question shall inform their line managers about them, if they are liable to give rise to a conflict of interest or constitute abuse of their position at BdP.
- 7.2.3. Where necessary, a decision shall be taken by a suitably authorised manager over whether the employee in question shall cease dealing with any matter related to a prospective employer or entity receiving his/her services.
- 7.2.4. Integrity and discretion is similarly required in performing professional activities after ceasing functions at BdP, including any activities performed in institutions subject to BdP supervision or in entities that supply it goods or services.
- 7.2.5. In case of doubt, employees shall consult the Ethics Adviser through the channels provided by BdP for the purpose.

## **7.3. Procurement and hiring of new employees**

- 7.3.1. Employees shall ensure proper conduct of procurement procedures and hiring of new employees, maintaining objectivity, neutrality and fairness and ensuring transparency of their actions.
- 7.3.2. In the context of procurement procedures and hiring of new employees, employees shall comply with all the general and specific rules related to professional secrecy, prevention and reporting of conflicts of interest and acceptance of gifts.
- 7.3.3. Communications with participants in a procurement procedure shall only take place through official channels, avoiding verbal information; where these prove necessary, employees shall immediately inform their line managers about them.
- 7.3.4. For direct award procedures and recruitment through executive search, employees with decision-making powers or in a position to influence the choice of service providers or candidates shall avoid any situation of conflicting interests and where this exists shall inform their line managers immediately about it.

## **7.4. Gifts, awards and other benefits or compensation**

- 7.4.1. Respect for the principle of independence is incompatible with applying for or accepting, from a source outside BdP, any benefits, compensation, remuneration or gifts which are connected in any way whatsoever with the duties undertaken at BdP, without prejudice to the provisions laid down in the following subparagraphs.
- 7.4.2. An exception to that laid down in the preceding subparagraph is acceptance of gifts from other central banks and public and international organisations, whose value does not exceed that considered normal and appropriate for relationships with those entities and in any case with a maximum of EUR 10.





- 7.4.3. Employees shall not solicit nor accept compensation of a financial nature or otherwise for carrying out any activity in fulfilment of their duties at BdP, unless the Board of Directors has authorised it.
- 7.4.4. Under no circumstances shall employees either solicit or accept gifts from participants in a procurement procedure.
- 7.4.5. Employees undertake to return gifts received which do not comply with the applicable rules. If it is deemed institutionally inappropriate to return the gifts, the employees shall present them to BdP.
- 7.4.6. Employees shall use the relevant form available on the intranet to declare any gifts accepted or refused, aside from gifts from other central banks and public and international organisations, whose value does not exceed that considered normal and appropriate for relationships with those entities and in any case with a maximum of EUR 10.
- 7.4.7. Employees shall use the relevant form available on the intranet to declare any gifts presented to family members which are related in any way with duties performed at BdP, even if indirectly, and where they are deemed to be an undue attempt to influence.
- 7.4.8. Employees shall obtain authorisation before accepting any awards or compensation in connection with their work for BdP. The acceptance of any honours or decorations for the activity undertaken in BdP shall be communicated to BdP.
- 7.5. Relationship with the ECB and the national central banks of the ESCB**
- 7.5.1. BdP employees shall work in a spirit of close cooperation with the staff of the ECB and the national central banks (NCBs) that make up the ESCB, without prejudice to the necessary confidentiality, whenever applicable. In this regard, employees shall remain aware of the institutional implications of the scope of that collaboration, given that there are members of the ESCB that do not belong to the Eurosystem.
- 7.5.2. In their relationship with the ECB or with the NCBs, employees shall be mindful of their professional duties and the necessary impartiality of BdP within the ESCB.
- 7.6. Relationship with European institutions and organisations and the international authorities**
- 7.6.1. Formal or informal contact with representatives of the European institutions or other European organisations and international authorities shall always reflect BdP's position, where this has been defined.
- 7.6.2. In the absence of a defined position, employees shall explicitly preserve BdP's image on a given topic when they speak in their own name.
- 7.7. Relationship with other national central banks and other institutions**
- 7.7.1. BdP employees shall work in a spirit of cooperation with the staff of other NCBs, including the central banks of the Portuguese-speaking countries, without prejudice to the necessary confidentiality, where applicable, and being mindful of their duties and BdP's necessary impartiality.
- 7.7.2. In relationships with financial institutions and other public and private entities, employees performing their duties shall observe BdP's guidance and positions, acting with quality, integrity and transparency.

7.7.3. Employees shall foster and ensure a good relationship with those entities, appropriately observing the rights and duties associated with the various functions of BdP's responsibility.

#### 7.8. **Contact with the media**

7.8.1. Employees shall refrain from giving interviews, making public statements or supplying information that is not already public knowledge, on subjects that relate to or affect BdP's activity or public image, on their own account or on request from representatives of the media. Employees shall in any case act according to the internal rules in force or the guidelines arising from the advance authorisation provided by the Board of Directors. In their contact with representatives of the media, employees shall use the utmost discretion over questions relating to BdP and the ESCB.

7.8.2. Employees shall submit all the information requests relating to their professional activities in BdP from representatives of the media to the Institutional Communication Office.

#### 7.9. **Relations with the general public**

Employees shall be accessible, efficient, correct and courteous in their relations with the general public. They shall also ensure that users of BdP services receive the information that they request lawfully as far as is possible. This information shall be clear and easily understandable, as shall any reasons why it cannot be provided.

### **8. Labour relations in BdP**

#### 8.1. **Loyalty and cooperation**

8.1.1. The concept of loyalty for employees involves not only the appropriate performance of the tasks given to them by their line managers, compliance with their instructions and respect for the appropriate reporting lines, but also transparency and openness in personal interaction with managers and other employees, within the applicable rules laid down.

8.1.2. Employees should, for example, keep other employees participating in the same subject updated on work in progress and allow them to make their contribution.

8.1.3. Failure to reveal to managers and other colleagues information that may affect the progress of projects, above all with the aim of obtaining personal advantage, as well as providing false, inaccurate or exaggerated information, refusing to collaborate with other employees and obstructive behaviour, are contrary to the loyalty expected of employees.

8.1.4. Employees responsible for management, coordination or leadership shall instruct those that work with them in a clear and easily understandable way, verbally and in writing.

8.1.5. Employees shall refrain from asking other employees to carry out tasks of a private nature for their own benefit or for that of third parties, whether or not BdP means are used to carry out such tasks.

#### 8.2. **Use of BdP resources**

8.2.1. Employees shall respect and protect BdP's property and shall not allow abusive use by third parties of the facilities or services.



- 8.2.2. All equipment and facilities, whatever their nature, shall only be put to official use, apart from where their private use has been explicitly authorised under the relevant internal rules or practices in force or in the use of discretionary powers.
- 8.2.3. In carrying out their tasks, employees shall also adopt the appropriate and justified means to limit BdP's costs and expenses, so that the available resources can be used most efficiently, minimising the environmental impact of their activities.
- 8.2.4. Employees shall act with loyalty and a collaborative spirit in enjoying benefits and other advantages, both in terms of property and otherwise, refraining from using such advantages abusively or to the detriment of BdP, subverting the goals for which they were created.

## **9. Reporting of unlawful activities**

- 9.1. Employees shall inform their line manager and the Ethics Adviser if they have knowledge of or a well-founded suspicion of money laundering, terrorist financing, insider trading, fraud or corruption in the conduct of their professional duties by another employee or by any supplier of goods or services to the BdP.
- 9.2. The employee that reports or prevents illegal activities, reasonably and prudently, shall not suffer detrimental consequences.

## **10. Application of the Code**

### **10.1. The role of employees in applying the Code**

The correct application of the Code depends above all on employees' professionalism, conscience and discretion. In particular, employees responsible for management, coordination or leadership shall set an example with regard to applying and promoting the principles and criteria established in the Code.

### **10.2. Ethics Adviser**

- 10.2.1. Employees may invite the Ethics Adviser to pronounce on any topic affecting their personal situation and relating to correct observance of the Code.
- 10.2.2. Conduct that complies with the Ethics Adviser's opinions or recommendations is assumed to comply with the Code, without prejudice to the relevance that it may have for other purposes.
- 10.2.3. All communication between employees and the Ethics Adviser is subject to the duty of confidentiality, unless with express consent or where there is a serious and imminent security risk for individuals or BdP's image.
- 10.2.4. The existence of the risk mentioned in paragraph 8.3 above is assessed by the Ethics Adviser.

## **11. Publication**

This Code will be published in BdP's Official Bulletin and made available on BdP's internet or intranet site.