

BANCO DE PORTUGAL'S CONDUCT REGULATION



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BANCO DE PORTUGAL
EUROSYSTEM

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Preamble

In 2016, the Board of Directors of the Banco de Portugal approved the Regulation of the Ethics Committee and of the General Duties of Conduct of the Employees of the Banco de Portugal, aiming, first and foremost, to enforce the Guidelines of the European Central Bank, adopted on 12 March 2015, laying down, respectively, the principles of a Eurosystem Ethics Framework (Guideline ECB/2015/11) and the principles of an Ethics Framework for the Single Supervisory Mechanism (Guideline ECB/2015/12).

That Regulation has remained stable since its publication on 6 June 2016, laying down the binding rules of conduct which govern the conduct of the Banco de Portugal's employees as regards the protection of information and limits on private financial transactions, duties of loyalty, impartiality and prevention of conflicts of interest, conditions for carrying out activities outside the Banco de Portugal, handling of gifts, awards and other benefits or compensation and contact with the media and other external entities.

In the exercise of the powers assigned to the Compliance Office (GdC), in particular as regards the responsibility to "monitor(...) updates to this Regulation", close cooperation is maintained with the Human Resources Department (DRH) in order to identify needs for updating existing regulations or for regulating new matters.

It is against this backdrop that amendments have been introduced to the framework for the prevention of conflicts of interest, in respect of impediments and grounds to be excused, and a new chapter on the prevention of harassment and discrimination at work has been added.

With regard to the first group of rules under revision, it is important to bear in mind that, as the Banco de Portugal upholds integrity, impartiality, independence, transparency and accountability as core values of its institutional culture, it is essential to ensure that these values guide its conduct and that of its representatives, thereby adequately and effectively preventing conflicts of interest.

As a legal person governed by public law, the Banco de Portugal is required to govern its activity by the principle of impartiality, which derives from the Code of Administrative Procedure, and it is for the Banco de Portugal to establish the appropriate internal rules and procedures, including, as an employer, to ensure that its employees observe that principle.

Internal procedures that are complete, expeditious and clear to employees and their superiors are essential so that they may recognise and act confidently and appropriately in situations or potential situations involving conflicts of interest. It is also important to strengthen the Institution's internal management and control system by improving Corporate Governance and preventing negative consequences for the Banco de Portugal's image and reputation.

In this context, amendments have been introduced to Chapter VI by systematising the rules on matters relating to the prevention of conflicts of interest, in particular by laying down two legal mechanisms specifically targeting this purpose, aligning the Regulation with the Code of Administrative Procedure as regards the rules on impediments, with the express provision for cases of impediment, the form and effects of the communication of circumstances giving rise to impediments and the effects of declaring the impediment, and with regard to the rules on the grounds to be excused, clarifying the situations which may give rise to an application to be excused submitted by employees and the procedure for submitting such application, including the procedure for processing and taking decisions by the competent persons.

As regards preventing and combating harassment and discrimination in the workplace, the framework now explicitly enshrined in internal regulations complies with the requirements of Law No 73/2017

of 16 August 2017 amending the Labour Code, by reinforcing the requirements in this area and imposing on employers, in general, the adoption of a Code of Conduct for Preventing and Combating Harassment in the Workplace, while expressing the position that the Banco de Portugal has always taken in preventing and prohibiting these profoundly disruptive phenomena in the work environment.

This is the reason behind the introduction of the new Chapter X, incorporating into the Regulation the rules on preventing and combating harassment and discrimination in the workplace, clearly and objectively establishing the unacceptable attitudes and behaviour falling within the concept of harassment and discrimination, and subjecting any infringement to disciplinary action.

While respecting the nature and purpose of internal regulations on ethics and conduct, formal rules on procedures for reporting harassment or discrimination, including the form of reporting, the competence for receiving and processing such reports, as well as specific measures to protect victims and whistle-blowers, are also laid down.

In addition, for reasons of certainty and security, this revision includes an update of the posts, functions, departments and structures to which Chapter V of the Regulation on specific limits to private financial transactions currently applies.

Finally, the former designation of the Regulation – Regulation of the Ethics Committee and of the General Duties of Conduct of the Employees of the Banco de Portugal – establishing and operationalising the rules of conduct that substantiate the values of the Institution, has been simplified.

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Chapter I

General provisions

Article 1

General principles

In accordance with the Constitution of the Portuguese Republic and the European and Portuguese rules, the employees of the Banco de Portugal, in the performance of their duties, are exclusively carrying out a public interest service, as defined pursuant to the applicable principles and rules, by the competent bodies of the Banco de Portugal and the European System of Central Banks, and they shall comply notably with the principles of legality, justice and impartiality and avoid any conflicts of interest.

Article 2

Scope of application

1 – The following persons are subject to this Regulation:

- a) the employees of the Banco de Portugal;
- b) the trainees working at the Banco de Portugal, with the adaptations resulting from the applicable legal framework.

2 – Chapter V of the Regulation shall only be applicable to the employees who, cumulatively or alternatively:

- a) hold management positions in the Banco de Portugal's internal structure, namely as head of the department, division, unit or section;
- b) serve as secretariats in support of management bodies, heads of departments and advisors to the Board of Directors;
- c) serve as advisors to the Board of Directors;
- d) at any given time, belong to the following departments or structures:
 - Legal Enforcement Department (DAS);
 - Statistics Department (DDE);
 - Financial Stability Department (DES);
 - Markets Department (DMR);
 - Banking Conduct Supervision Department (DSC);
 - Banking Prudential Supervision Department (DSP);
 - Office of the Governor (GAB);
 - General Secretariat (SEC);
 - Audit Department (DAU);
 - Economics and Research Department (DEE);
 - Risk Management Department (DGR);
 - Legal Services Department (DJU);
 - Resolution Department (DRE);
 - International Relations Division of the International Relations Department (DRI).

3 – The scope of application of Chapter V may be widened to other employees, departments or structural units, temporarily or permanently, by decision of the Board of Directors, considering the functions entrusted to them at any given time.

4 – Without prejudice to the provisions laid down in the applicable legal regulations, the principles set out in this Regulation shall also be applied, mutatis mutandis and under the terms established in the respective contract, to the natural and legal persons to whom procurement procedures have been awarded by the Banco de Portugal.

5 – The contract shall also ensure that the contractors obtain a written commitment from those they allocate to the respective activity that they will comply with the provisions of the foregoing paragraph.

Article 3

Communication and training

1 – The Banco de Portugal shall provide access to communication and training sessions on ethics and conduct for all its employees, either face-to-face or via e-learning.

2 – Attendance of the sessions mentioned in the foregoing paragraph shall be compulsory.

3 – Each employee's structural unit shall ensure their participation in the sessions mentioned in paragraph 1 above at least once every two years unless exceptional circumstances require higher frequency.

4 – Upon completion of the communication and training sessions, a certificate valid for two years shall be automatically issued.

5 – The communication and training strategy shall be complemented with relevant information, and made available in a dedicated area of the Banco de Portugal's intranet.

Chapter II

Ethics Committee

Article 4

Appointment

1 – The Ethics Committee comprises the chairperson and two members appointed by the Board of Directors, by proposal of the Governor and the chairperson of the Board of Auditors, from persons with no contractual relationship to the Banco de Portugal and of recognised standing and independence.

2 – The term of office of the members of the Ethics Committee shall be three years, renewable once.

Article 5

Remit

1 – The Ethics Committee shall be responsible for:

- a) promoting the preparation, implementation, observance and updating of the Code of Conduct for the Members of the Board of Directors of the Banco de Portugal;
- b) providing support to the Compliance Office regarding the updating of the Code of Conduct for the Employees of the Banco de Portugal;
- c) monitoring updates introduced to this Regulation in liaison with the Compliance Office;
- d) issuing, upon request of the members of the Board of Directors, an opinion on the conformity of a specific conduct with the provisions of the applicable Code of Conduct;

- e) issuing, on its initiative and after hearing those concerned, an opinion on the conformity of a specific conduct of members of the Board of Directors with the provisions of the Code of Conduct applicable;
- f) requesting from the addressees of the opinion issued under the foregoing subparagraphs information on the conduct observed;
- g) reappraising the opinions issued by the Compliance Office, in response to duly justified individual requests submitted by the employees;
- h) reappraising situations, which in case of doubt, are submitted to this Committee by the Compliance Office;
- i) issuing recommendations to the Board of Directors on matters falling within its remit, namely on the adoption of overall management processes and policies and control of compliance with the law, regulations and other applicable rules.

2 – The Ethics Committee may, with regard to matters falling within its remit, summon any employees and request information and technical support from the Banco de Portugal's services.

3 – The General Secretariat shall provide administrative and technical support to the Ethics Committee.

4 – Where an opinion is issued by the Ethics Committee, under subparagraphs (d), (e) and (g) of paragraph 1, recognising conformity of a specific behaviour with the applicable duties of conduct, adoption of a different behaviour by the person concerned shall become unenforceable.

5 – Communication with the Ethics Committee shall be deemed confidential, and its members shall observe the duty of secrecy regarding its content.

6 – Each year the Ethics Committee shall draw up a report on its activities which shall be submitted to the Board of Directors and to the Board of Auditors.

Article 6

Meetings

The Ethics Committee shall hold an ordinary meeting once every quarter, and extraordinary meetings whenever convened by any of its members or at the request of the Board of Directors or the Board of Auditors.

Chapter III

Compliance Office

(Compliance)

Article 7

Structure

The organisation and structure of the Compliance Office shall be established in its own regulations.

Article 8

Remit

1 – The Compliance Office shall ensure that the employees, in the performance of their functions, act in compliance with the applicable legal, regulatory and operational rules, in particular with those set out in this Regulation.

2 – The Compliance Office shall be particularly responsible for:

- a) promoting the preparation, implementation, observance and updating of the Code of Conduct for the Employees of the Banco de Portugal;
- b) providing support to the Ethics Committee in updating the Code of Conduct applicable to the members of the Board of Directors;
- c) monitoring the introduction of updates to this Regulation in liaison with the Ethics Committee;
- d) promoting training and communication sessions for its employees on ethics and conduct;
- e) issuing, upon request of the employees, an opinion on the conformity of a specific conduct with the rules laid down in this Regulation or in the Code of Conduct;
- f) issuing, in response to individual requests submitted by employees, departments or structural units, an opinion on the conformity of a specific conduct with the rules laid down in this Regulation or in the Code of Conduct;
- g) issuing, on its own initiative, an opinion on the conformity of the specific conduct of employees with the rules laid down in this Regulation or in the Code of Conduct;
- h) checking compliance with the rules on limits to the private financial transactions envisaged in this Regulation, according to the regular or random compliance checks to be performed pursuant to the rules and the procedure laid down in Chapter V, notwithstanding the powers entrusted to other structures within the scope of disciplinary procedure;
- i) overseeing the implementation of adequate internal control procedures ensuring access to inside information, in order to guarantee that such information is only accessed by employees who need it for the performance of their duties;
- j) appraising situations of potential non-compliance with the rules laid down in this Regulation by employees and – where the suspicion appears to be well-founded – reporting them to the Human Resources Department (DRH), which shall exercise its powers with regard to disciplinary issues;
- k) keeping an updated record of incidents and any detected cases of non-compliance;
- l) providing secretariat support to the Ethics Committee's meetings.

3 – Communication with the Compliance Office shall be deemed confidential, and the duty of secrecy regarding its content shall be observed.

4 – Each year the Compliance Office shall draw up a report on its activities which shall be submitted to the Board of Directors and to the Board of Auditors.

Chapter IV

Protection of information and private financial transactions

Article 9

Duty of secrecy

1 – In accordance with the European and Portuguese rules governing the Banco de Portugal's activity and the Labour Code, employees shall be subject to the duty of secrecy.

2 – The duty of secrecy shall cover information on the Banco de Portugal's tasks to which the employees have access through or by virtue of their duties.

3 – In addition to the penalties envisaged in the applicable legislation, a breach of the duty of secrecy constitutes a serious violation of discipline.

Article 10

General prohibition on misusing inside information

1 – Employees shall refrain from using inside information to which they have access through or by virtue of their duties in any private financial transaction, and from recommending or advising against such transactions.

2 – For the purposes of the foregoing paragraph, inside information shall mean information regarding facts or elements that come to employees' knowledge through or by virtue of their duties, which have not been made public or are not accessible to the public and the use of which may lead to advantages for the employees themselves or third parties.

3 – Pursuant to internal procedures, the Board of Directors and the Banco de Portugal's structures shall ensure that access to inside information is restricted to the employees who need it for the performance of their duties.

4 – Observance of the procedures referred to in the foregoing paragraph shall be checked by the Compliance Office.

Article 11

Private financial transactions

1 – The employees of the Banco de Portugal shall refrain from conducting any private financial transaction of a speculative nature, namely short-term trading, which may be deemed imprudent or disproportionate in view of their household income.

2 – In case of doubt as to the classification of a certain operation, the Banco de Portugal's employees may request prior clarification from the Compliance Office.

Chapter V

Specific limits to private financial transactions

Article 12

Forbidden financial transactions

1 – The following financial transactions shall be forbidden:

- a) operations related to, or carried out jointly with, a private-law legal person or any persons with whom the employee, in representation of the Banco de Portugal, has an ongoing professional relationship;
- b) operations related to:
 - i) individual tradable shares and bonds issued by financial institutions established or having a branch in the European Union, other than central banks;
 - ii) derivatives related to the shares and bonds listed under (i);
 - iii) combined instruments, where any of their components fall under (i) or (ii) above;
 - iv) units of collective investment undertakings the main purpose of which is to invest in bonds, shares or in the instruments mentioned in the foregoing subparagraphs.

2 – In addition to the penalties envisaged in the applicable legislation, a breach of the provisions of paragraph 1 constitutes a serious violation of discipline.

3 – The Banco de Portugal shall ensure that, following a decision by the Governing Council of the ECB, the list of forbidden financial transactions is immediately updated through an amendment to this Regulation.

Article 13

Financial transactions subject to prior authorisation

1 – Employees of the Banco de Portugal shall request authorisation from the Compliance Office before performing the following operations:

- a) short-term trading, i.e., the purchase and sale of assets issued with the same International Securities Identification Number (ISIN), purchased or sold the month before;
- (b) operations exceeding EUR 10,000 per month relating to:
 - i) public debt instruments issued by euro area Member States with price formation on the market;
 - ii) derivative instruments related to the public debt instruments mentioned in (i) above;
 - iii) combined instruments, where any of their components fall under the provisions of subparagraphs (i) or (ii) above;
 - iv) units of collective investment undertakings whose main purpose is to invest in the instruments referred to in the foregoing subparagraphs.
- c) operations exceeding EUR 10,000 per month relating to:
 - i) gold and gold-related derivative instruments, including gold-indexed securities;
 - ii) shares, bonds or derivative instruments issued by companies whose principal activity is gold mining or production;
 - iii) combined instruments, where any of their components falls under (i) or (ii) above;
 - iv) units of collective investment undertakings whose main purpose is to invest in the securities or instruments referred to in the foregoing subparagraphs.
- d) foreign exchange operations exceeding EUR 10,000 per month which are not related to the occasional acquisition of investments or non-financial assets, private travel or the coverage of personal current or future expenditure in a currency other than that in which the employee's compensation is paid.

2 – In the case of the operations referred to in subparagraph (a) of the foregoing paragraph, authorisation is not required where the subsequent sale is made for the carrying out of a stop-loss order given by the employee to the financial institution.

3 – The Banco de Portugal shall ensure that, following a decision by the Governing Council of the ECB, the list of financial transactions subject to prior authorisation is immediately updated through an amendment to this Regulation.

Article 14

Request for authorisation

1 – Requests for authorisation for the operations referred to in the foregoing Article shall be submitted to the Compliance Office at least two working days prior to the date foreseen for the order, through an electronic form.

2 – The Compliance Office shall deliver a decision within no more than two working days of receipt of a request, taking into particular consideration, where relevant:

- a) the employee's professional duties and his/her access to relevant inside information;
- b) the nature of the operation;
- c) the amounts involved;
- d) the reputational risk for the Banco de Portugal;
- e) the timing of the operation, in particular its proximity to the date of a meeting of the ECB's decision-making bodies.

3 – The Compliance Office may subject the authorisation to a number of conditions.

4 – The Compliance Office's decision shall be communicated to the employee through an electronic form.

5 – In the absence of a reply from the Compliance Office to a request for authorisation within the timeframe referred to in paragraph 2 above, the operation shall be considered authorised.

Article 15

Holding of assets resulting from forbidden transactions and transactions subject to prior authorisation

1 – Employees may keep assets resulting from the transactions referred to in Articles 12 and 13 provided that:

- a) they were acquired before the performance of functions at the Banco de Portugal;
- b) they were acquired before the entry into force of this Regulation, in the case of employees currently performing functions at the Banco de Portugal;
- c) their purchase, even if after the application of the restrictions established in this Regulation, does not result from the employee's initiative, but from an inheritance, gift, or change in the household structure or in a company of which the employee is a shareholder.

2 – Should employees intend to keep the financial assets acquired under the foregoing paragraph, they shall, as an alternative:

- a) place their investments under the control of one or more portfolio managers with full discretion, in which case the draft contract shall be submitted to the Compliance Office for approval;
- b) request the opinion of the Compliance Office with regard to possible conflicts of interest generated by this situation, while the Compliance Office may recommend the sale of the financial assets in question within a reasonable and appropriate timeframe.

3 – Should the Compliance Office recommend the sale of financial assets held by an employee, he/she shall inform the Compliance Office regarding the conduct observed following this recommendation.

4 – In those cases where employees may continue to hold the assets as envisaged in paragraph 2(b), the sale or exercise of rights regarding these assets shall require prior authorisation from the Compliance Office.

Article 16

Compliance check

1 – For the purposes of monitoring compliance with the rules in this Chapter, employees shall, at the end of each calendar year, provide the Compliance Office with an updated list of the credit institutions and financial companies where they hold accounts, namely deposit, credit and financial instrument accounts, including those of which they are co-holders.

2 – As an alternative to the information referred to in the foregoing paragraph, employees may give written authorisation to the Compliance Office to consult the Banking System's Database of Bank

Accounts, which is organised and managed by the Banco de Portugal, under the provisions of Article 81-A of the Legal Framework of Credit Institutions and Financial Companies.

3 – In addition to the list mentioned in paragraph 1 or the authorisation provided for in paragraph 2, as part of random compliance check procedures, the Compliance Office may request that employees submit a personal declaration stating that they have not performed the financial transactions referred to in Article 12 or the unauthorised financial transactions referred to in Article 13, for the current and previous calendar years.

4 – As part of random compliance check procedures, the Compliance Office may also request employees to provide the registrations of the accounts referred to in paragraph 1 or, alternatively, a declaration issued by the credit institutions or financial companies stating the non-existence of the operations referred to in Articles 12 and 13, or the conditions under which such operations were performed, within the scope of the respective accounts, in the period indicated.

5 – As an alternative to the personal declaration mentioned in paragraph 3 or the registrations of the accounts and the declaration issued by credit institutions and financial companies mentioned in paragraph 4, employees may give written authorisation for the Banco de Portugal to request information from the respective institution or company showing the non-existence of operations referred to in Articles 12 and 13, or, the conditions under which such operations were performed, within the scope of the respective accounts, in the period indicated.

6 – The random compliance check procedures provided for in paragraphs 3 to 5 may target a specific group of employees or a specific type of private financial transaction.

Chapter VI

Guarantees of impartiality and exemption

Article 17

Duties of loyalty and impartiality

Under the duties of loyalty and impartiality, employees shall avoid any situations that may give rise to conflicts of interest with the activities conducted at the Banco de Portugal or that may damage its image and reputation.

Article 18

Impediment cases

1 – In accordance with the provisions laid down in the Statute of the Banco de Portugal and in the Labour Code, employees shall not, personally or through a third party:

- a) provide services to third parties as part of the study or preparation of proposals or applications to be submitted for their appraisal or decision or to a body or service under their direct influence;
- b) provide services to entities subject to the supervision of the Banco de Portugal or in whose supervision the Banco de Portugal participates under the Single Supervisory Mechanism;
- c) cooperate with external entities within the scope of the contractual procedures launched by the Banco de Portugal or as a consequence of a decision of the Banco de Portugal.

2 – Employees shall also be forbidden to intervene in proceedings, instruments, decisions or contracts in the following cases:

- a) where they have an interest in such proceedings, instruments, decisions or contracts, either on behalf of themselves or as representatives of another person;
- b) where, either on behalf of themselves or as representatives of another person, their spouse or recognised partner has an interest in such proceedings, instruments, decisions or contracts. The same applies to any of their relatives or relatives by affinity in the direct line or up to the second degree in the collateral line, and to any person with whom they live in a joint economy or with whom they have a relationship of adoption, guardianship or civil sponsorship;
- c) where, either on behalf of themselves or as representatives of another person, they have an interest in a similar issue as that to be decided upon, or where such a situation arises with regard to a person covered by the foregoing subparagraph;
- d) where they have intervened in the procedure as experts or legal representatives or have given an opinion on the matter to be resolved;
- e) where their spouse or recognised partner has intervened in the procedure as an expert or legal representative. The same applies to any of their relatives or relatives by affinity in the direct line or up to the second degree in the collateral line, and to any person with whom they live in a joint economy or with whom they have a relationship of adoption, guardianship or civil sponsorship;
- f) in the case of an appeal against a decision taken by them, or in which they intervened, or taken by any of the persons referred to in subparagraph (b) or in which such persons intervened.

Article 19

Duty to communicate an impediment

1 – Where there are grounds for impediment, employees shall immediately communicate this to the head of the department or structural unit in which they perform their functions.

2 – Where the relevant employee serves as advisor to the Board of Directors or as senior manager, the communication referred to in the foregoing paragraph shall be submitted to the member of the Board of Directors to which the employee reports or holding the relevant management portfolio.

3 – Employees invoking grounds for impediment shall suspend their intervention in the proceedings, instruments, contracts or decisions as soon as they make the communication referred to in the foregoing subparagraph until the decision by the relevant superior staff member unless otherwise determined by the person empowered to replace such employees.

4 – The immediate or mediate superiors of the employee shall adopt the provisional measures deemed appropriate to avoid the conflict of interest, without prejudice to their reassessment or enhancement at a later stage.

5 – Breach of the duty to communicate an impediment constitutes a violation of discipline under the Labour Code.

Article 20

Declaration of impediment

1 – The head of the department or of the structural unit in which the employees perform their functions shall be responsible for becoming aware of an impediment and declaring it.

2 – Where the relevant employee serves as advisor to the Board of Directors or as senior manager, the member of the Board of Directors to which the employee reports or holding the relevant management portfolio shall be responsible for taking the decision referred to in the foregoing paragraph.

3 – The decision taken pursuant to paragraphs 1 or 2 shall be brought to the knowledge of the member of the Board of Directors holding the relevant portfolio or to the Board of Directors, respectively.

4 – Once an impediment is declared, the employee shall be immediately withdrawn and replaced in the procedure by the respective substitute, unless the competent body exercises its right of evocation for such purpose and without prejudice to the adoption of additional measures which are justified in the light of the principle of proportionality.

5 – Employees with an impediment shall take all measures that cannot be postponed in the event of urgency or danger, which, however, need to be ratified in accordance with the applicable internal regulations.

6 – In the case of a collegiate body, if there is no substitute or it is not possible to appoint a substitute under paragraph 4, the body shall operate without the member with the impediment.

Article 21

Grounds to be excused

Employees shall request to be excused from taking part in any proceedings, instruments, contracts or decisions where there are circumstances that might reasonably give rise to serious doubts as to the impartiality of their conduct or decision, in particular:

- a) where, either on behalf of themselves or as representatives of another person, any relatives or relatives by affinity in the direct line or up to the third degree in the collateral line have an interest in such proceedings, instruments, contracts or decisions. The same applies to any person under guardianship or sponsorship of the employees, their spouse or recognised partner;
- b) where the employees, their spouse or recognised partner, or any relatives or relatives by affinity in the direct line are the creditors or debtors of a natural or legal person having a direct interest in the proceedings, instruments, contracts or decisions;
- c) where the employees, their spouse or recognised partner, or any relatives or relatives by affinity in the direct line, have received gifts before or after the proceedings, instruments, contracts or decisions were initiated;
- d) where there is serious enmity or great intimacy between the employees, their spouse or recognised partner and the person having a direct interest in the proceedings, instruments, contracts or decisions;
- e) where legal proceedings are pending involving, on the one hand, the employees, their spouse or recognised partner, any relatives in the direct line or any person with whom the employees live in a joint economy, and on the other hand, the interested parties, their spouse or recognised partner, any relatives in the direct line or any person with whom they live in a joint economy.

Article 22

Submission of the application to be excused

1 – In the cases provided for in the foregoing Article, the application shall be addressed to the head of the department or structural unit in which the employees perform their functions, and accurately indicate the facts justifying such excuse.

2 – Where the relevant employee serves as advisor to the Board of Directors or as senior manager, the application referred to in paragraph 1 shall be submitted to the member of the Board of Directors to which the employee reports or holding the relevant management portfolio.

3 – Applications shall be submitted as soon as the circumstance giving rise to the impediment becomes known.

4 – All applications to be excused shall be made in writing, duly substantiated and accurately indicate the facts justifying such excuse.

5 – An oral application to be excused is possible in situations where it is necessary for reasons of urgency, and the employee shall ensure that such application is submitted in writing at a later stage immediately thereafter.

6 – The immediate or mediate superiors of the employees shall adopt the provisional measures deemed appropriate to avoid the conflict of interest, without prejudice to their reassessment or enhancement at a later stage.

Article 23

Decision on the application to be excused

1 – The head of the department or structural unit in which the employees perform their functions shall decide on the application within eight days.

2 – Where the relevant employee serves as advisor to the Board of Directors or as senior manager, the member of the Board of Directors to which the employee reports or holding the relevant management portfolio shall be responsible for taking the decision referred to in the foregoing paragraph.

3 – The decision taken pursuant to paragraphs 1 or 2 shall be brought to the knowledge of the member of the Board of Directors holding the relevant portfolio or to the Board of Directors, respectively.

4 – Once the application has been accepted, the employee shall be immediately withdrawn and replaced in the procedure by the respective substitute, unless the competent body exercises its right of evocation for such purpose and without prejudice to the adoption of additional measures which are justified in the light of the principle of proportionality.

5 – In the case of a collegiate body, if there is no substitute or it is not possible to appoint a substitute under the foregoing paragraph, the body shall operate without the member with the impediment.

Article 24

Remit of the Compliance Office

1 – Employees and their superiors may directly ask the Compliance Office to issue its opinion and provide prior advice in situations where impediments or grounds to be excused may be involved.

2 – The Compliance Office shall ensure, the aggregated and anonymised annual reporting to the Board of Directors on the implementation of this Chapter by means of the Compliance Report.

3 – At the beginning of each year and for the purposes of the foregoing paragraph, the Compliance Office shall collect from the departments or structural units, quantitative and anonymised information on communications of impediment, applications to be excused, the corresponding decisions and communication to the member of the Board of Directors.

Article 25

Confidentiality

All documents relating to the communication of impediments and applications to be excused, as well as the opinions issued and the decisions of the superiors, shall always be classified internally by the Banco de Portugal at the highest level available for the employee's user profile.

Article 26

Situations of suspension of the employment contract

1 – Pursuant to the duty of loyalty established in the Labour Code, during situations of suspension of the employment contract, namely those resulting from unpaid leave, employees shall not establish

any link or contractual relationship with entities subject to the Banco de Portugal's supervision or in whose supervision the Banco de Portugal participates under the Single Supervisory Mechanism.

2 – The provisions of the foregoing paragraph shall not apply when the exercise of functions in entities referred to in the foregoing paragraph stems from an appointment of the Banco de Portugal, secondment or similar situations requiring the Banco de Portugal's consent.

3 – Breach of the provisions laid down in paragraph 1 constitutes a serious violation of discipline.

Article 27

Cooling-off agreement

1 – During a period that shall not exceed two years after the termination of functions, employees who hold or have held management or equivalent positions or other employees whose tasks so warrant it may sign an agreement undertaking not to establish any link or contractual relationship with entities subject to the Banco de Portugal's supervision, or in whose supervision the Banco de Portugal participates under the Single Supervisory Mechanism, or belonging to groups controlled by such entities.

2 – The agreement referred to in the foregoing paragraph shall be in writing and set out the allocation of financial compensation in the period mentioned therein.

3 – The Compliance Office shall issue its opinion prior to the agreement, and pronounce on its timeliness, as well as on the extension and duration of the restriction of the employee's activities and the compensation amount to be allocated.

4 – The financial compensation envisaged in paragraph 2 may be reduced where expenditure by the Banco de Portugal on the employee's professional training has been considerable.

5 – The written agreement referred to in paragraph 2 may form part of the commission of service agreement, without prejudice to paragraphs 3 and 4.

Article 28

Agreements for the performance of specific tasks

1 – When an agreement is signed for the performance of specific tasks, notably under a commission of service regime, it may include obligations that substantiate or expand the duties provided for in this Regulation, in observance of the necessity, adequacy and proportionality requirements. Failing these requirements, access to the functions in question shall not depend on acceptance of the above-mentioned obligations.

2 – When the additional obligations referred to in the foregoing paragraph involve a restriction of the freedom to work, the agreement shall envisage the appropriate compensation.

3 – The Compliance Office shall issue its opinion prior to the agreements referred to in the foregoing paragraph.

Chapter VII

Activities outside the Banco de Portugal

Article 29

General principles

1 – Employees shall not be members of the corporate bodies of credit institutions, financial companies or any other entities subject to the Banco de Portugal's supervision, or in whose

supervision the Banco de Portugal participates within the framework of the Single Supervisory Mechanism, or have any link or contractual relationship with them, whether remunerated or not, regarding the performance of a professional activity.

2 – The prohibition envisaged in the foregoing paragraph shall not apply to the exercise of functions in representation of the Banco de Portugal or its employees.

3 – In accordance with the Statute of the Banco de Portugal and the Labour Code, and without prejudice to the activities related to the participation in the European System of Central Banks, the performance of a professional activity at the Banco de Portugal shall not be accumulated with other professional functions or activities, public or private, autonomous or dependent, whether remunerated or not, concurrent, similar or conflicting with the activity performed at the Banco de Portugal.

4 – For the purposes of the provisions of the foregoing paragraph, functions that are concurrent, similar or conflicting with the activity performed at the Banco de Portugal are those that have a direct connection with the exercise of any of the Banco de Portugal's tasks and are intended for the universe of entities under its supervision, or in whose supervision the Banco de Portugal participates within the framework of the Single Supervisory Mechanism, or for entities whose activity may collide with the Banco de Portugal's tasks and competences.

Article 30

Activities outside the Banco de Portugal

1 – In compliance with the general principles laid down in the foregoing Article and pursuant to the Statute of the Banco de Portugal and the Labour Code, the performance of a professional activity outside the Banco de Portugal shall be conditional on the observance of the following conditions:

- a) those functions are not legally considered incompatible with those exercised at the Banco de Portugal;
- b) they are not practised in a way that hinders compliance with the working hours established by the Banco de Portugal or with any other obligations arising from the employment contract;
- c) they do not undermine the independence and impartiality required for the performance of the activity at the Banco de Portugal.

2 – In the performance of any activities outside the Banco de Portugal, employees shall not:

- a) reveal information to which they have access through or by virtue of their duties;
- b) use information to which they have access through or by virtue of their duties and which has not been made public or is not accessible to the public;
- c) invoke their status as employee.

3 – In the performance of any activities outside the Banco de Portugal, employees shall make clear that they are not representing the official views of the Banco de Portugal and shall avoid situations that may be misinterpreted as such.

4 – Where they perform functions as members of academic institutions or in studies or contributions within the scope of research, conferences, the writing of books or articles of a technical and scientific nature or research in these domains, employees shall ensure that these activities are exercised in a personal capacity, pursuant to the foregoing paragraph.

Article 31

Communication and procedures

1 – The exercise of activities outside the Banco de Portugal, as well as changes in previously communicated activities, shall be preceded by a communication to the head of the department concerned or to the head of the structural unit where the employees perform their functions.

2 – The communication referred to in the foregoing paragraph shall be sent by the head of the department concerned or by the head of the structural unit, together with an opinion, to the Compliance Office, which on its own initiative or upon request of the head of the department, head of unit or employee concerned, shall issue an opinion on the compliance of the activity to be performed with the rules laid down in this Regulation.

3 – A change of department shall result in a new communication by the employee, pursuant to paragraph 1, and in observance of the procedures laid down in the foregoing paragraph.

4 – If the external activity is performed on an ongoing basis, a new communication shall be required at the end of each three-year period.

5 – The Compliance Office shall keep an updated record of the communications received.

Chapter VIII

Gifts, awards and other benefits or compensation

Article 32

General principle

1 – Respect for the principles of independence and impartiality is incompatible with acceptance by employees for their own benefit or for the benefit of a third party of gifts, awards and other benefits or compensation which are connected in any way whatsoever with their duties.

2 – The provisions of the foregoing paragraph shall cover any gifts to the members of the employee's family, which, albeit indirectly, are in any way connected with the duties performed at the Banco de Portugal or where they are considered attempted undue influence.

Article 33

Exceptions

1 – The prohibition envisaged in the foregoing article shall only admit, by way of exception, acceptance of the following gifts:

- a) of mere hospitality, related to the normal performance of their functions and that cannot be considered a benefit;
- b) from other central banks, public bodies and European and international organisations, whose value does not exceed the customary and appropriate amount in relations with those entities;
- c) from entities other than those mentioned in the foregoing subparagraph, whose value does not exceed EUR 10.

2 – The exception envisaged in subparagraph (c) of the foregoing paragraph shall not apply to gifts from participants in goods and services procurement procedures or contractors, the acceptance of which shall always be forbidden.

3 – The exceptions envisaged in paragraph 1(a) and (c) shall not apply to advantages offered by credit institutions to the Banco de Portugal employees during on-site inspections or audit missions except hospitality of a negligible value offered during work-related meetings.

4 – Prohibition of acceptance also includes any gifts, awards, benefits or compensation, whether financial or non-financial, which are connected with the functions performed at the Banco de Portugal, unless expressly authorised by the Board of Directors.

Article 34

Return or delivery of gifts to the Banco de Portugal

1 – Employees shall refuse any gifts, awards and other benefits or compensation that do not comply with the applicable rules.

2 – In such cases, employees shall immediately communicate the refusal to the Compliance Office, under the terms of the following Article, so that a letter can be sent explaining the reasons for refusal in light of the rules of conduct in force at the Banco de Portugal.

3 – If it is deemed institutionally inappropriate to return the gifts, awards, benefits or compensation, the employees shall hand them over to the Administration Services Department (DSA) as soon as possible.

4 – The gifts, awards and other benefits or compensation received under the terms of the foregoing paragraph shall be registered as property of the Banco de Portugal.

Article 35

Communication to the Compliance Office

1 – All gifts, awards and other benefits or compensation received by the employee or by his/her family members, whose value exceeds EUR 10, shall be communicated to the Compliance Office as soon as possible in a form for such purpose on the Intranet.

2 – The communication duty envisaged in the foregoing paragraph shall not apply to the gifts, awards and other benefits or compensation received from other central banks, public bodies and European and international organisations, whose value is considered customary and appropriate.

3 – Employees shall also communicate to the Compliance Office acceptance of any honours or decorations in connection with their work for the Banco de Portugal.

Chapter IX

Contact with the media and other external entities

Article 36

Rules and procedures

1 – Within the scope of their functions or regarding matters related thereto, employees shall not provide information or establish contact with the media or news agencies without prior authorisation from the Board of Directors of the Banco de Portugal.

2 – The provisions of the foregoing paragraph shall not apply in situations where, cumulatively, it is not possible to obtain prior authorisation in reasonable time and the contact is established as part of the performance of functions in representation of the Banco de Portugal, in which case discretion should be exercised.

Article 37**Participation in fora and social media**

Employees' participation in fora, social media or similar contexts shall observe the provisions of this Regulation, particularly as regards the duties of professional secrecy and loyalty and the prohibition on misusing inside information, refraining from posting any contents liable to damage the Banco de Portugal's image and reputation or that of its employees.

Chapter X

Preventing and combating harassment and discrimination in the workplace

Article 38**Prohibition of harassment and discrimination**

1 – Under the Labour Code, employees shall be prohibited from engaging in any form of harassment or discrimination.

2 – The Banco de Portugal undertakes a zero-tolerance commitment to any situation constituting or liable to constitute harassment or discrimination.

3 – “Harassment” refers to any unwanted conduct in the course of the performance of functions, with the purpose or effect of disturbing or constraining a person, affecting their dignity, or creating an intimidating, hostile, degrading, humiliating or destabilising environment for that person, whether or not based on any of the factors of discrimination provided for in the Labour Code.

4 – “Sexual harassment” refers to any conduct of a sexual nature which is unwanted by the person to whom it is directed, in verbal, non-verbal or physical form, with the purpose or effect referred to in paragraph 3.

5 – “Discrimination” refers to any attitude or behaviour by which, by reason of any of the factors of discrimination provided for in the Labour Code, a person is treated less favourably than another person in a comparable situation.

6 – The concepts of harassment and discrimination may include any conduct described in the foregoing paragraphs that occurs, notably, during recruitment procedures, vocational training or outside the workplace.

7 – Employees in the course of their work shall also contribute to preventing and combating harassment and discrimination by acting, where possible, in such a way as to avoid the occurrence or recurrence of conduct which may be considered harassment or discrimination, which they witness or of which they become aware.

Article 39**Preventive and monitoring measures**

The Banco de Portugal shall, in coordination with the Compliance Office and the DRH, implement the following measures to prevent and combat harassment and discrimination:

- a) a specific and regular training plan on the prevention of harassment and discrimination;
- b) a communication and information strategy on the prevention of harassment and discrimination, including the provision of documents containing information on what harassment and

- discrimination are, the consequences of harassment and discrimination and the penalties they may entail, an indication of where and how potential victims of harassment or discrimination are able to receive help and the regular distribution of information on prevention policies;
- c) regular activities to identify and assess psycho-social risks related to the issues of harassment and discrimination, where necessary in conjunction with the Centre for Occupational Health and Medicine (CSMT);
 - d) the implementation of a reporting channel dedicated to receiving reports concerning harassment or discrimination.

Article 40

Reporting

- 1 – A person who considers being the target of harassment or discrimination in the context of employment relationships may report the situation to the Compliance Office or, if such person is part of that unit of structure, to the DRH.
- 2 – Any employee who becomes aware of, or has reasonable suspicion of, irregular practices likely to indicate harassment or discrimination may report them in accordance with the foregoing paragraph.
- 3 – A person holding management or similar positions shall be obliged to report any harassment or discrimination they witness or of which they become aware within their team.
- 4 – The Compliance Office shall, following an initial assessment of the report submitted and if there are indications of harassment or discrimination, refer the case to the DRH pursuant to Article 8(2)(j) of the Regulation.
- 5 – The DRH shall ensure that an inquiry is launched in accordance with the criteria of confidentiality, impartiality and speed.
- 6 – Where sexual harassment is alleged, the request for information and the provision of statements by the victim in relation to the facts in question shall be limited to what is strictly necessary to obtain the evidence required for disciplinary procedure or other measures.
- 7 – Upon completion of the procedure referred to in paragraph 5, the result shall be referred to the Board of Directors for decision.
- 8 – The possibility of reporting under this Article shall be without prejudice to the right to complain to the Autoridade para as Condições do Trabalho (Portuguese authority for working conditions), including through the [platform set up for that purpose](#), or to other legally competent bodies.

Article 41

Form and procedures

- 1 – The report shall be as detailed as possible, containing an accurate description of the facts liable to constitute harassment or discrimination, in particular:
 - a) the circumstances in which the facts occurred, notably the location, date and time;
 - b) the identity of the victim and the harasser;
 - c) any available evidence, such as testimonial, documentary or experts' evidence.
- 2 – The complaint may be lodged by sending an email to the email address of the Compliance Office (gabinete.compliance@bportugal.pt), in accordance with paragraph 1 of the foregoing Article. Nevertheless, it may also be submitted:
 - a) By post to: Banco de Portugal – Gabinete de Conformidade
Rua do Comércio n.º 148
1100-150 Lisboa;

b) In person, in Lisbon, at Rua do Comércio, 148, between 8:30 and 16:30, subject to prior appointment with the Compliance Office.

3 – If the complaint concerns an employee of the Compliance Office, it may be sent to the DRH email address (drhadrt@bportugal.pt), in accordance with paragraph 1 of the foregoing Article.

4 – Anonymous reports may be accepted where, together with the reporting of facts, circumstances justifying such acceptance are invoked and substantiated, and the Compliance Office shall be responsible for the initial assessment and possible referral to the DRH pursuant to paragraph 4 of the foregoing Article.

Article 42

Protection of whistle-blowers and witnesses

1 – A person who submits a report under the foregoing Articles shall not thereby be affected in any way, subject to the provisions of the following paragraph.

2 – A report which is unfounded or intentionally made with the intention of harming another person shall constitute the commission of a disciplinary offence, without prejudice to other consequences laid down by law.

3 – The Banco de Portugal shall ensure confidentiality in relation to the reports it receives. They shall be treated with particular discretion, diligence and care.

4 – The anonymity of whistle-blowers in cases of harassment or discrimination shall be ensured, and such anonymity shall be excluded only where the body with disciplinary authority decides to initiate a disciplinary procedure.

5 – The provisions of the foregoing paragraph shall be applied *mutatis mutandis* in the case of trainees or staff external to the Banco de Portugal, in which case the situation shall be reported to the service provider.

6 – For a period of up to two years following the reporting of harassment or discrimination, dismissal or other disciplinary penalty or employment measure shall be presumed to be unfair where applied to the reporting employee, including:

- a) changes in working conditions, such as duties, working hours or place of work, except for departmental transfer at the request of the victims themselves, in accordance with the following Article;
- b) negative performance assessment;
- c) non-renewal of a fixed-term employment contract;
- d) revocation of an instrument or termination of an administrative contract, in particular a supply or service contract.

7 – Any retaliatory or similar measure directed at the victim, reporting person or another person who has been involved in the proceedings in any way, by the employee who has been subject to disciplinary procedure or who has been subject to a disciplinary penalty other than a fair dismissal shall be subject to further disciplinary action, without prejudice to other possible legal consequences.

8 – The provisions of the foregoing paragraphs shall also apply to witnesses.

9 – A witness is a person involved in the activities of the Banco de Portugal, other than the reporting person, whose cooperation is required in the context of the internal assessment and inquiry into well-founded suspicions of irregular harassment or discrimination.

Article 43

Victim protection

1 – The Banco de Portugal shall ensure that harassment or discrimination practices cease immediately, using such means as it deems appropriate.

2 – The victims of harassment or discrimination after reporting and at any time during the procedure shall be guaranteed continuous support and monitoring from the DRH and, if necessary, from the CSMT.

3 – Without prejudice to the provisions of the foregoing paragraph, after the report has been submitted, the victims of harassment or discrimination may, during the course of the procedure, ask the CSMT to absent themselves from duty without losing any right.

4 – After reporting and at any time during the procedure, the victims of harassment or discrimination may request a departmental transfer from the DRH, and such request shall have priority over other internal mobility procedures.

Article 44

Handbook of Best Practices

The provisions of this Chapter shall be set out in a Handbook of Best Practices, published and disseminated internally within the Banco de Portugal.

Chapter XI

Final and transitional provisions

Article 45

Declaration

1 – After the entry into force of this Regulation, and whenever amendments are made to the General Duties of Conduct, the Banco de Portugal's employees shall be requested to sign a declaration of knowledge of its content.

2 – Regarding new employees, the said declaration of knowledge of the content of this Regulation shall be requested upon their admission.

Article 46

Reporting of cases of non-compliance

1 – Employees shall report to the Compliance Office if they have knowledge of or well-founded suspicion that the following activities are being carried out:

- a) breach of professional secrecy;
- b) misuse of inside information;
- c) violation of the rules on private financial transactions;
- d) violation of the rules on conflicts of interest.

2 – Employees who report cases of non-compliance shall not be subject to any prejudicial effects, provided that they have acted reasonably and in good faith.

Article 47**Repeal**

The following Standing Regulations are hereby repealed:

- a) NAP/2011/014 on the Ethics Adviser;
- b) NAP/2016/0007 on the Regulation of the Ethics Committee and of the General Duties of Conduct of the Employees of Banco de Portugal.

Article 48**Entry into force**

This Regulation shall enter into force on the day following that of its publication.

