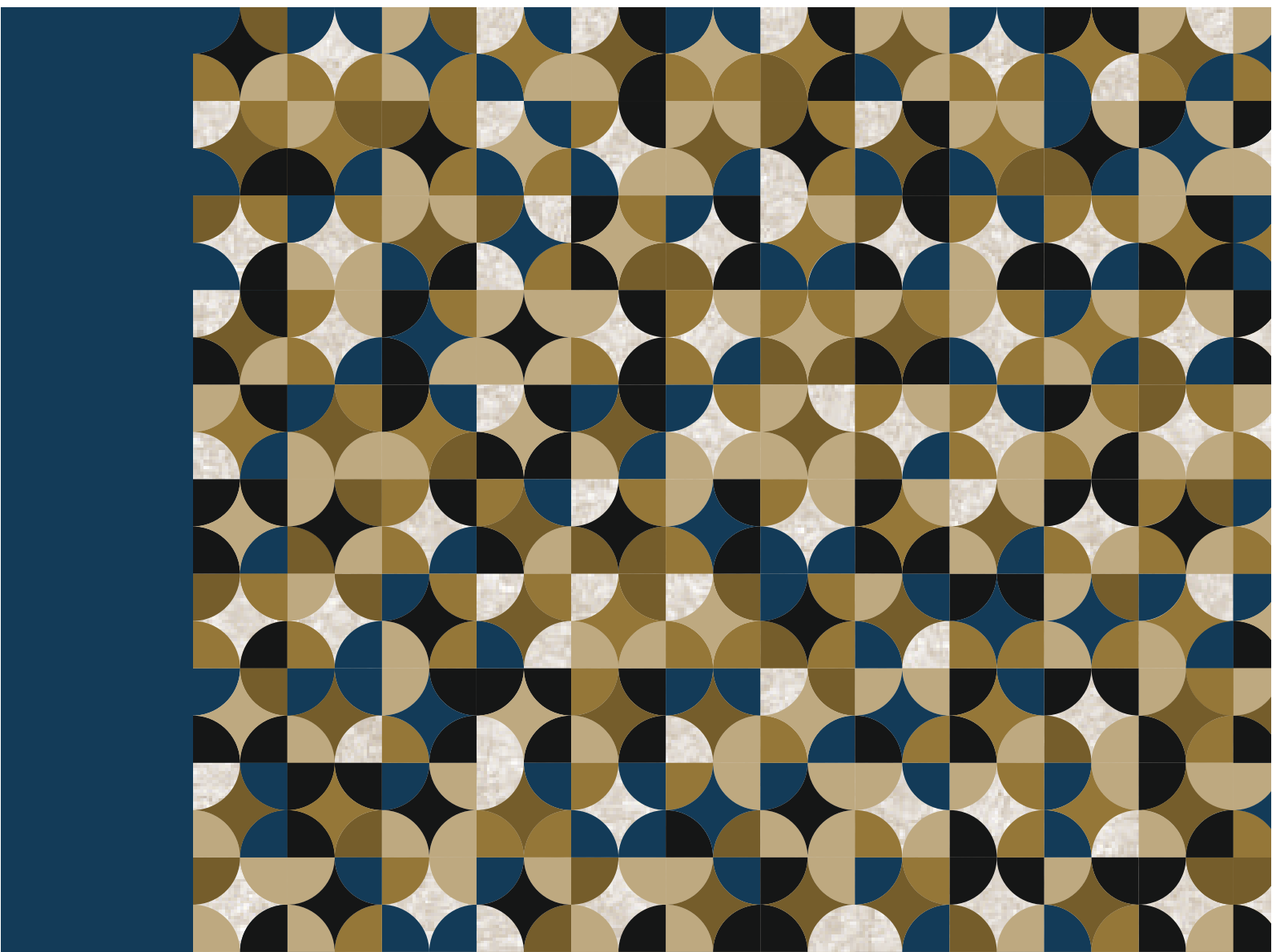


Regulation of the Ethics Committee and of the General Duties of Conduct of the Employees of Banco de Portugal



BANCO DE PORTUGAL
EUROSYSTEM



Regulation of the Ethics Committee and of the General Duties of Conduct of the Employees of Banco de Portugal



BANCO DE
PORTUGAL
EUROSYSTEM

Contents

Preamble | 5

Chapter I – General provisions | 7

Chapter II – Ethics Committee | 8

Chapter III – Compliance Office | 9

Chapter IV – Protection of information and private financial transactions | 10

Chapter V – Specific limits to private financial transactions | 10

Chapter VI – Duty of loyalty and prevention of conflicts of interest | 13

Chapter VII – Activities outside Banco de Portugal | 14

Chapter VIII – Gifts, awards and other benefits or compensation | 16

Chapter IX – Contact with the media and other external entities | 17

Chapter X – Final and transitional provisions | 17

Preamble

Over the course of 2014 and 2015 the European Central Bank (ECB) took a number of measures essentially aiming to strengthen the ethics and conduct framework and enhance the corporate governance of the ECB, the European System of Central Banks (ESCB), the Eurosystem, and the Single Supervisory Mechanism (SSM).

Hence:

- the approval on 12 November 2014 of the *Code of Conduct for the members of the Supervisory Board*;
- the establishment, by a decision of 17 December 2014, of an Ethics Committee, reflecting the intention of the Governing Council of the ECB to “strengthen the ethics rules in place and further enhance the corporate governance of the European Central Bank (ECB), the European System of Central Banks (ESCB), the Eurosystem and the Single Supervisory Mechanism (SSM)”;
- the publication on 22 December 2014 of a new version of the ECB’s Code of Ethics, which includes the ‘Conditions of Employment for staff of the European Central Bank as regards the ethics framework’ and the ‘Conditions of Short-Term Employment as regards the ethics framework’, approved by a decision of 27 November 2014 and the ‘ECB Staff Rules containing the Ethics Framework’, approved by a decision of 3 December 2014;
- the creation, through the above-mentioned decision of 3 December 2014, of the ‘Compliance and Governance Officer’ position, to advise and monitor compliance with the ECB staff rules;
- the approval on 12 March 2015 of the Guidelines 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);
- the adoption on the same date of the ‘Implementation Practices’, which develop

and clarify the content of the rules of conduct set out in the said Guidelines.

In this context, it is important to keep in mind firstly the measures that Banco de Portugal has to adopt by 1 June 2016, in compliance with the above Guidelines ECB/2015/11 and ECB/2015/12. Specifically, observance of the ECB requirements for all Eurosystem national central banks and the national competent authorities of the Member States participating in the SSM involves, at the level of the domestic regulatory framework, the revision and adjustment of the set of rules of conduct that currently govern the conduct of Banco de Portugal’s employees as regards the protection of information and private financial transactions, the duty of loyalty and impartiality, the prevention of conflicts of interest, activities outside Banco de Portugal, gifts, awards and other benefits or compensation.

Designed to substantiate the labour duties that, under the Labour Code and the applicable collective agreements, are naturally required of Banco de Portugal’s employees, the rules in this Regulation are binding, and non-compliance shall be punishable through disciplinary proceedings. The most significant rules relate to the duty of secrecy and the prohibition on misusing inside information (Articles 9 and 10), limits to certain private financial transactions (Articles 11 to 13) and the duties of loyalty and impartiality (Article 17). In turn, this Regulation updates and substantiates the rules on activities carried out outside Banco de Portugal, while condensing the duties emerging from the employment contract, which are essential for guaranteeing the institution’s autonomy and independence (Articles 21 to 23). In the same vein, the Regulation addresses the acceptance of gifts also following the ECB’s requirements (Articles 24 to 27). Finally, with a view to substantiating the duties generically provided for in the law and other applicable rules, binding rules are set forth on matters raised by the fast evolution of communication and technology (Articles 28 and 29).

Such clarification of the reach of labour duties accommodates the ECB's order to the Eurosystem national central banks and the national competent authorities of the Member States participating in the SSM to monitor cases of non-compliance adequately, which as already mentioned, may in general constitute a violation of discipline.

This Regulation is therefore limited to a set of rules that, in addition to substantiating the labour duties already stemming from legislation and other applicable rules, aims to correspond to the said ECB determinations. Hence, its content is much more restricted than that of the *Code of Conduct for the Employees of Banco de Portugal* in force, which is not legally binding. It also includes a series of organisational and procedural rules, instrumental for its execution, namely regarding the appointment of the Ethics Committee and the Compliance Office and the establishment of the respective powers, especially those on the implementation and interpretation of the Regulation among employees.

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 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 European System of Central Banks and Banco de Portugal, and they shall comply 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 Banco de Portugal;
 - (b) The trainees working at Banco de Portugal, with the adaptations resulting from the legal framework applicable.
2. Chapter V of the Regulation shall only be applicable to the employees who, cumulatively or alternatively:
- a) Hold management positions in Banco de Portugal's internal structure, namely as head of department, division, unit or section;
 - b) At any given time, belong to the following Departments:
 - i) Legal Enforcement Department (DAS);
 - ii) Statistics Department (DDE);
 - iii) Financial Stability Department (DES);
 - iv) Markets and Reserve Management Department (DMR);
 - v) Banking Conduct Supervision Department (DSC);
 - vi) Banking Prudential Supervision Department (DSP);

vii) Office of the Governor (GAB);

viii) General Secretariat (SEC).

3. The scope of application of Chapter V may be widened, temporarily or permanently, by decision of the Board of Directors, to other employees, departments or structures, taking into account the functions entrusted to them at any given time.

4. Without prejudice to the provisions laid down in the legal regulations applicable, 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 Banco de Portugal.

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

Article 3

Communication and training

1. Banco de Portugal shall provide access to communication and training sessions on ethics and conduct for all its employees, either face-to-face or through e-learning.
2. Attendance of the sessions mentioned in the foregoing paragraph shall be compulsory.
3. Each employee's unit of structure shall ensure his/her participation in the sessions mentioned in paragraph 1 above at least once every two years, unless exceptional circumstances require higher frequency.
4. At the end 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, made available in a dedicated area of Banco de Portugal's intranet.

Chapter II

Ethics Committee

Article 4

Appointment

1. The Ethics Committee shall comprise the chairperson and two members appointed by the Board of Directors, based on a proposal from the Governor and the chairperson of the Board of Auditors, from among persons with no contractual relationship to 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 Banco de Portugal*;
 - b) providing support to the Compliance Office regarding the updating of the *Code of Conduct for the Employees of Banco de Portugal*;
 - c) monitoring, in articulation with the Compliance Office, updates introduced in this Regulation;
 - 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 own 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 rules applicable.

2. The Ethics Committee may, with regard to matters falling within its remit, summon any employees and request information and technical support from 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 duties of conduct applicable, adoption of a different behaviour by the person concerned becomes 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 and shall submit it 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

Article 7

Structure

The organisation and structure of the Compliance Office shall be defined 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 legal, regulatory and operational rules applicable, 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 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 articulation 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 conformity of a specific conduct with the rules set out in this Regulation or in the Code of Conduct;
- f) issuing, in reply to individual requests submitted by the employees, departments or structures, an opinion on 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 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 carried out pursuant to the rules and the procedure laid down in Chapter V, notwithstanding the competences entrusted to other structures within the scope of disciplinary proceedings;

i) overseeing 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 competences with regard to disciplinary issues;

k) keeping an updated register of the incidents occurring and cases of non-compliance detected;

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 and shall submit it 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 Banco de Portugal's activity and the Labour Code, the employees shall be subject to the duty of secrecy.
2. The duty of secrecy shall cover information on 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, 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, or for recommending or advising against such transactions.
2. For the purposes of the foregoing paragraph, inside information shall mean information on facts or elements that come to the employees' knowledge through or by virtue of their duties, which has not been made public or is not accessible to the public and the use of which may lead to advantages for the employees themselves or third parties.
3. Pursuant to the internal procedures, the Board of Directors and 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 Banco de Portugal shall abstain from conducting any private financial transaction of a speculative nature, namely short-term trading, which may be seen as imprudent or disproportionate given their household's income.
2. In case of doubt as to the classification of a certain operation, 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 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 the components falls under the provisions of (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, breach of the provisions of paragraph 1 constitutes a serious violation of discipline.

3. 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 of this Regulation.

Article 13

Financial transactions subject to prior authorisation

1. The employees of Banco de Portugal shall request authorisation from the Compliance Office before carrying out the following operations:

- a) short-term trading, i.e. the purchase and sale of assets issued with the same International Securities Identification Number (ISIN) that had been 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 falls 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 on 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. 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 of 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 before 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 receiving it, 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 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 have been acquired before the performance of functions at Banco de Portugal;
- b) they have been acquired before the entry into force of this Regulation, in the case of employees currently performing functions at Banco de Portugal;
- c) their purchase, albeit after the application of the restrictions established in this Regulation, does not result from the employee's initiative, but from an inheritance, gift, 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, with the Compliance Office able to 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 provide the Compliance Office, at the end of each calendar year, 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 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 carried out the financial transactions referred to in Article 12 nor 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, as an alternative, a declaration issued by credit institutions or financial companies stating that the operations referred to in Articles 12 and 13 did not occur, or, if occurring, the conditions under which they occurred, 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 Banco de Portugal to request the respective institution or company to provide information showing that the operations referred to in Articles 12 and 13 did not occur, or, if occurring, the conditions under which they occurred, 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 transactions.

Chapter VI

Duty of loyalty and prevention of conflicts of interest

Article 17

Duties of loyalty and impartiality

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

2. In accordance with the provisions laid down in the Organic Law of Banco de Portugal and in the Labour Code, employees cannot, personally or through a third party:

- a) provide services to third parties as part of the study or preparation of proposals or requirements to be submitted for their appraisal or decision or to a body or service under their direct influence;
- b) provide services to regulated entities;
- c) cooperate with external entities within the scope of the contractual procedures launched by Banco de Portugal or as a consequence of a decision of the Bank.

3. Employees shall abstain from participating in any procurement or other procedures that involve as parties or may benefit:

- a) Their spouses or recognised partners, ex-spouses where the divorce took place in the two years prior to the date of the contractual procedure, the like, ancestors or descendants in any line, and collateral relatives up to the second line;
- b) The company in which they hold, directly or indirectly, alone or jointly with the persons referred to in the foregoing subparagraph, no less than 10%.

4. Where an employee is appointed to participate in a procedure in which any of the situations referred to in the foregoing paragraph occurs, employees shall without delay communicate to their head of department or of the unit of structure where they perform their functions any of the above circumstances, as soon as they come to their knowledge.

5. Following the communication provided for in the foregoing paragraph, the employee shall be removed from the tasks related to the matter in question.

6. In other cases where situations liable to give rise to conflicts of interest may be at stake, employees may request an opinion from the Compliance Office.

7. The opinion issued by the Compliance Office shall, where appropriate, be communicated to the head of department or of the unit of structure where the employee exercises his/her functions, so that the necessary measures may be adopted.

Article 18

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, the employees cannot establish any link or contractual relationship with entities subject to Banco de Portugal's supervision or in whose supervision Banco de Portugal participates under the Single Supervisory Mechanism.

2. The provisions of the foregoing paragraph shall not apply when the exercise of the

functions in entities referred to in the foregoing paragraph stems from an appointment of Banco de Portugal, secondment or similar situations requiring the Bank's consent.

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

Article 19

Cooling-off agreement

1. During a period that shall not exceed two years after the termination of functions, the 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 Banco de Portugal's supervision, or in whose supervision 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 amount of the compensation to be allocated.

4. The financial compensation envisaged in paragraph 2 may be reduced where expenditure by Banco de Portugal on the employee's professional training was 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 20

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 Banco de Portugal

Article 21

General principles

1. Employees shall not be members of the corporate bodies of credit institutions, financial companies or any other entities subject to Banco de Portugal's supervision, or in whose supervision Banco de Portugal participates within the framework of the Single Supervisory Mechanism, nor 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 Banco de Portugal or its employees.

3. In accordance with the Organic Law of 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 Banco de Portugal cannot 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 carried out at Banco de Portugal.

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

Article 22

Activities outside Banco de Portugal

1. In compliance with the general principles laid down in the foregoing article and pursuant to the Organic Law of Banco de Portugal and the Labour Code, the performance of a professional activity outside 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 Banco de Portugal;
- b) they are not developed in a way that hinders compliance with the working hours established by Banco de Portugal or with any other obligations arising from the employment contract;
- c) they do not harm the independence and impartiality required for the performance of the activity at Banco de Portugal.

2. In the performance of any activities outside 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 of employee.

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

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

Article 23

Communication and procedures

1. The exercise of activities outside Banco de Portugal, as well as changes in previously communicated activities, shall be preceded by a communication to the head of department concerned or to the head of the unit of structure where the employee performs his/her functions.

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

3. Change of department shall result in a new communication by the employee, pursuant to paragraph 1, and the procedures laid down in the foregoing paragraph shall be complied with.

4. If the external activity is carried out 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 24

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 Banco de Portugal or where they are considered an attempt at undue influence.

Article 25

Exceptions

1. The prohibition envisaged in the foregoing article only admits 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, acceptance of which is always forbidden.
3. The exceptions envisaged in paragraph 1 (a) and (c) shall not apply to advantages offered by credit institutions to 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 Banco de Portugal, unless expressly authorised by the Board of Directors.

Article 26

Return or delivery of gifts to 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 those cases, the 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 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 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 Banco de Portugal.

Article 27

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 provided 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 Banco de Portugal.

Chapter IX

Contact with the media and other external entities

Article 28

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 of the Board of Directors of 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 good time and the contact is established as part of the performance of functions in representation of Banco de Portugal, in which case discretion should be exercised.

Article 29

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, abstaining from posting any contents liable to harm Banco de Portugal's image and reputation or that of its employees.

Chapter X

Final and transitional provisions

Article 30

Declaration

1. After the entry into force of this Regulation, and whenever changes are made to the General Duties of Conduct, 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 at the time of their admission.

Article 31

Communication of activities outside Banco de Portugal

After the entry into force of this Regulation, employees shall communicate the performance of professional activities outside Banco de Portugal, even if previously communicated and authorised, and the provisions set forth in Article 23 shall apply.

Article 32

Training

After the entry into force of this Regulation, each employee must attend a training session thereon.

Article 33

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 the duty of 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 suffer any prejudicial effects, provided that they acted reasonably and in good faith.

Article 34

Entry into force

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

