



BERMUDA MONETARY AUTHORITY

STAFF CODE OF CONDUCT

This Code of Conduct provides guidance on a range of ethical issues that may impact staff during the normal conduct of their duties carried out on behalf of the Bermuda Monetary Authority. The Code provides an overview of the guiding principles. Specific policies and procedures are included in the Employee Handbook and form part of the terms and conditions of employment that must be adhered to by every member of staff.

All work carried out on behalf of the Authority should be conducted in an environment that is free from any suggestion of impropriety. Staff are entrusted by the Bermuda Monetary Authority with responsibility for ensuring that they abide by all approved policies and procedures and that their personal and professional conduct meets the highest standards.

General Principles

1. Staff are required to fulfill all regulatory and statutory obligations as prescribed by the relevant laws of Bermuda, including the *Bermuda Monetary Authority Act, 1969*.
2. Staff will be expected to be familiar with and participate in all BMA sanctioned mandatory training on the following:
 - 7.1 The Bermuda Monetary Authority Act 1969;
 - 7.1 The Proceeds of Crime Act 1997;
 - 7.1 Anti-Money Laundering Procedures; and
 - 7.1 As relevant:
 - The Banks and Deposit Companies Act 1999
 - The Insurance Act 1978
 - The Investment Business Act 2003
 - The Trusts (Regulation of Trust Business) Act 2001
 - The Companies Act
 - And any other local laws and regulations that are implemented in the future which will significantly impact regulated entities
3. Direct communication by staff to Board members of any routine concerns related to their normal functions should be avoided; instead staff should utilise the proper reporting lines to address these issues. However, staff are encouraged to report any wrongdoing or operational malfeasance involving the Executive Directors to the Ethics Committee, which is chaired by the BMA Deputy Chairman. Ethical Breaches involving staff below the Executive Director level should be reported to the department head or the Executive Director as appropriate. The confidentiality, identities and the statements made by staff reporting these incidents shall be protected to the extent that

continued protection does not interfere with the Authority's ability to investigate claims of wrongdoing.

4. As a condition of their employment, staff are required to have read, familiarised themselves with and abide by all codes, policies, and procedures that govern their conduct and actions while acting on behalf of the Authority.
5. Where external employment is concerned, staff are not permitted to undertake private business activities or other work outside of the Authority where it is determined that it would be a conflict of interest or if it impacts on their work and/or their ability to work at the BMA. Employees, who wish to engage in alternative external employment need formal approval in writing from the Department Head, in order to ensure that there is no conflict of interest and that the Authority has no objection to such employment.
6. Employees, who wish to sit on a Committee or Board that meets during working hours, will require formal approval in writing from the Department Head annually. Staff will be prevented from sitting on Committee or Boards where the Authority determines that a conflict of interest exists.

Professionalism

7. Staff are required to treat one another with the utmost respect, civility, and cooperation. Authority granted through any position should not be abused.
8. Staff are required to maintain a high standard of professionalism which includes but is not limited to the following:
 - 7.1 Adhering to the Authority's *Dress Code* and projecting a professional, competent image, which includes dressing and grooming in accordance with accepted business standards.
 - 7.1 Ensuring that punctuality is maintained at all times when arriving to work, and when attending internal and external meetings/functions.
 - 7.1 Providing proper notification to the Department Head in the event of any unavoidable delays or absences.
9. Staff are required to conduct themselves (whether inside or outside of the Authority) in appropriate professional manner at all times so as not to bring disrepute to themselves or the Authority.
10. When performing any off-site responsibilities on behalf of the Authority, staff should make themselves aware and comply with relevant policies of the off-site company, so long as it does not conflict with the BMA rules and regulations.

11. As prescribed in the *BMA Staff Handbook*, the following are examples of areas that the Authority regards as serious misconduct:
- a. Physical assault of another employee or member of the public whilst on duty;
 - b. Long-term or repeated absences without permission of the Authority;
 - c. Abandonment of post;
 - d. Failure to comply with the Authority's *Alcohol and Drug policy*;
 - e. Acts of fraud or dishonesty, including theft;
 - f. Failure to account for funds, money or property belonging to the Authority;
 - g. Willful damage to Authority property;
 - h. Acts or omissions which are likely to bring the Authority into disrepute;
 - i. Breach of the Authority's Sexual Harassment Policy; and
 - j. Breach of the Authority's confidentiality policy.

Sexual Harassment

12. Staff must refrain from any manner of sexual harassment including but not limited to making unwanted sexual advances, requests for sexual favours, or sexual overtures.
13. Any incidents of sexual harassment should be reported to the relevant department head or to the Human Resources Department. Complaints received will be thoroughly investigated and the Authority will then take the appropriate disciplinary action as required. Staff are also reminded that sexual harassment is an offence under Section 9 of the Human Rights Act 1981, which carries a heavy fine and, depending on the circumstances, possible imprisonment.

Corporate Travel

14. All air travel by staff on behalf of the Authority must be arranged through the Authority's travel desk.
15. All corporate credit cards are to be used for business purposes only and should be used in accordance with the Authority's travel policies. All reimbursable charges to an employee's credit card will not be paid until proper documentation supporting the charges is received. An expense report with the appropriate supporting documentation, including any excess cash must be submitted within five working days of the return to the office from this business travel. Receipts should be provided for all credit card expenditures and, within reason, for all cash expenditures.

Purchasing Goods & Services

16. Purchases of goods and services must be for BMA purposes and must have the required level of approval. Persons authorising such expenditures must ensure that approved budgeted funds are available for the specified expenditure and that the purchase is within their levels of authority.

Equipment Usage

17. Computer systems have been provided to staff for Authority business only. However, limited personal use is permitted, where such activity is kept to a minimum and does not negatively impact performance or the business operations of the Authority.
18. The Internet is made available to staff for Authority business only. However, limited personal use of the Internet is permitted provided that it does not interfere with or have a negative impact upon the business operations of the Authority. Users must not use the Internet to solicit external private business for profit. The Internet must not be used in any way that might embarrass or cause harm to the Authority. Users must not visit any Internet sites known to contain offensive materials and are prohibited from:
 - 7.1 Downloading Software
 - 7.1 Transmitting, downloading or viewing Pornographic, threatening, racial or sexually charged materials
 - 7.1 Streaming music and/or videos
 - 7.1 Personal purchases (online shopping)
19. E-mail is provided for Authority business only. However, limited personal use is permitted provided it does not interfere with or have any negative effect upon the operations of the Authority. Use of e-mail to participate in any private commercial business, the transmission of chain letters or any offensive material is not permitted.
20. Staff must keep personal telephone calls to a minimum so as not to interfere with work. Local and overseas calls on Authority telephones are permitted and where possible should normally be made during lunch periods. Personal long distance calls must be recorded on the appropriate log and full and prompt payment must be made upon presentation of the related bill.
21. Upon joining the BMA, staff will be assigned a security access code, which can be used for both the alarm systems and for access to overseas calls. Additionally, staff will be required to establish a network password. Staff will be responsible for their network passwords and security access codes, which must be kept confidential. Staff must not use or attempt to use any network account except their own and must not use the network resources to gain or attempt to gain unauthorised access to any networks or computer systems.

22. Staff must use all BMA equipment properly as to minimise damage. If any damage does occur, it must immediately be reported to the Department Head. Unreported damage, or damage caused by negligence may be cause for disciplinary action, which may include restitution.

Conflict of Interest

23. In the course of their work, staff are likely to become aware of information which is both highly confidential and potentially price-sensitive. In addition to taking great care to protect confidential information, staff need to be very careful about their personal financial transactions so that they can avoid suspicion of the improper use of confidential and price-sensitive information. Staff should not use, or encourage others to use, BMA confidential information for their own purposes. In particular, staff should take great care to avoid any real or perceived conflicts of interest in relation to their investment transactions and other dealings with financial institutions. In addition, any member of staff must recuse themselves from taking regulatory decisions on any entity in which they have a holding.
24. Staff are also reminded that insider dealing is an offence under Section 405B of the Criminal Code Amendment Act 2004 and carries a heavy fine and/or, imprisonment.
25. Certain members of staff may be allowed to hold investments in BMA regulated entities. To protect the Authority from real or perceived conflicts related to such holdings, applicable staff members, their spouses, and equivalents will be required, as prescribed by the Personal Dealing Policy, Rules and Procedures to provide the Authority with prior notification (Intention to Deal Form) when they intend to:

7.1 Purchase or sell shares in any of Bermuda's regulated financial institutions, or any other BMA licensed entity or a company directly related to a licensed entity (e.g. A holding company).

No such transactions should be executed without the prior approval of the BMA

7.1 Open or close accounts with any financial institution or to make a similar material change in some other aspect of their financial dealings including establishing or amending a loan or mortgage position.

No such transactions should be executed without the prior notification of the BMA

Gifts and Hospitality

26. All substantial corporate hospitality, gifts or entertainment received by staff from regulated entities or any other entities that might have an interest in the

outcome of any BMA decision must be declared in the G1 Declaration Form. Once the Form has been completed it should be forwarded to the respective manager and then on to the executive responsible for the Group/Department, so that the hospitality, gifts or entertainment's appropriateness can be assessed. Substantial corporate hospitality, gifts or entertainment **cannot be accepted** without the Authority's prior approval.

Confidentiality

27. All information relating to the affairs of the Authority, the government and regulated entities is protected by *Section 31 of the Bermuda Monetary Authority Act 1969* and provisions of the other regulatory Acts. This information can only be disclosed to third parties under limited circumstances authorised by the Acts. Staff should be aware that any unauthorised disclosure of confidential information could result in their being prosecuted for an offense for which they could be personally fined or imprisoned. This restriction on disclosure of confidential information continues to apply even after a staff member has ceased to be employed by the Authority.
28. Staff must not pass on any sensitive information, which they may be privy to but other members of staff are not. Care should be taken to avoid any unintentional sharing of sensitive information by protecting both hard copy and electronic information.
29. All queries from the press, radio and television relating to the Authority should be referred to the Communications Office or to an Executive member unless otherwise specified.
30. Staff members who terminate their employment with the BMA must not contact Authority staff seeking to obtain confidential or sensitive information.
31. Staff members terminating their employment with the BMA must not take **any** of the work they have produced on behalf of the Authority. Therefore, any work done on behalf of the BMA becomes the intellectual property of the BMA and does not belong to the individual that produced it.

Publications

32. Any articles, books, commentaries, editorials or other contributions that are made or written by a staff member regarding regulatory and supervisory matters must be accompanied by a disclaimer that informs the reader that the opinion and views expressed are those of the author and not the BMA, unless otherwise specified. Articles, books, commentaries, editorials or other contributions that are made or written for or on behalf of the Authority can only be released after being reviewed and approved by the BMA Executive.

Compliance

33. Any staff member who fails to comply with this Code or any of the staff policies and procedural documents noted therein will be subject to disciplinary actions, which may include termination.

Definitions

34. In this Code:

- 9.1 “Staff” means, an employee (whether seconded, permanent or temporary), including executive directors, managers, consultants and other contracted workers.
- 9.2 “Normal corporate hospitality, gifts or entertainment” includes lunches, receptions, dinners and other similar functions, particularly where the value is **not expected** to exceed \$100.
- 9.3 “Substantial corporate hospitality, gifts or entertainment” includes trips, golf days and any other off-island hospitality, particularly where the value **is expected** to exceed \$100.
- 9.4 “Equivalents” means the common-law spouse or dependent children (dependent children include adults whose lifestyles are funded primarily by the staff member).
- 9.5 “Price sensitive” means, information which if made public is likely to have a significant effect on the price of a company’s securities.
- 9.6 “Sensitive information” means information that must be protected because its alteration, loss, destruction or unauthorised disclosure (internally or externally) will cause harm to the Authority or to other individuals.
- 9.7 “Insider Dealing” means a criminal offense involving the purchase or sale of shares by someone who possesses inside price-sensitive information about a company's performance and prospects, which has not yet been made public and if available, might affect the share price.