

Code of Conduct for Members of the Exchange Fund Advisory Committee and its Sub-Committees

Introduction

1. This Code has been endorsed by the Exchange Fund Advisory Committee (EFAC) and approved by the Financial Secretary. The Code applies to all Members of EFAC and of its Sub-Committees. The Code, and any subsequent amendments to it, will be published on the website of the Hong Kong Monetary Authority for general information. Members who have any questions on the Code are invited to address them in the first instance to the Secretary of EFAC.

Membership

2. Members of EFAC and of its Sub-Committees are appointed in a personal capacity and not as representatives of any other organisation or body. Members shall give their advice at meetings independently and shall not seek or take instructions on that advice from other organisations or individuals.

Confidentiality and public comments

3. The papers and proceedings of EFAC and its Sub-Committee are confidential. The papers, minutes and other documents connected with EFAC and its Sub-Committees are for the private information of Members. Members shall make arrangements for keeping them safe and shall not show or divulge their contents to any other person or organisation.
4. Members shall not use confidential information given to them in connection with their membership of EFAC or of its Sub-Committees for the purpose of carrying out financial transactions, whether directly or indirectly, and whether on their own private account or on the account of any person, company or other organisation with which they have a connection.

5. In making comments in public (whether orally or in writing) on the work of EFAC and its Sub-Committees, Members shall
 - (a) avoid disclosing or commenting on confidential information, including the contents of papers connected with meetings and the substance of discussions at meetings;
 - (b) make it clear, as appropriate, whether they are conveying the general views of EFAC or their own personal views;
 - (c) avoid making comments that might undermine or bring into question the reputation of EFAC or of any of its Members.

Declaration of Interests

6. In accordance with guidelines and principles set by the Independent Commission Against Corruption, Members of EFAC and of its Sub-Committees shall follow a two-tier reporting system for declaring interests. These guidelines and principles are as follows:

A Register of Members' Interests

- (1) The Chairman and Members shall register in writing their personal interests, direct or indirect, pecuniary or otherwise, when they first join the Committee or Sub-Committee, and annually thereafter, to the Secretary. The registration shall be made on a standard form, at Annex A.
- (2) The types of interests required for registration shall include
 - (i) proprietorships, partnerships or directorships of companies;
 - (ii) remunerated employments, offices, trades, professions or vocations; and
 - (iii) shareholdings in a publicly listed or private company of more than 1% of the company's issued share capital; and/or

- (iv) other declarable interests, taking into consideration the nature of work of the Committee or Sub-Committee.
- (3) A register of Members' interests shall be kept by the Secretary which should be made available for inspection on request by any member of the public.

B Declaration of Interests at Meetings

- (4) If a Member (including the Chairman) has any direct personal or pecuniary interest in any matter under consideration by the Committee or Sub-Committee, he or she must, as soon as practicable after he or she has become aware of it, disclose to the Chairman (or the Committee or Sub-Committee) prior to the discussion of the item. (The potential conflict of interest situations are described in Annex B).
 - (5) The Chairman (or Committee or Sub-Committee) shall decide whether a Member disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting.
 - (6) If the Chairman declares an interest in a matter under consideration, the chairmanship may be temporarily taken over by a vice-chairman.
 - (7) When a known direct pecuniary interest exists, the Secretary may, having consulted the Monetary Authority, withhold circulation of relevant papers to the Member concerned. Where a member is in receipt of a paper for discussion which he or she knows presents a direct conflict of interest, he or she should immediately inform the Secretary and return the paper.
7. All cases of declaration of interests shall be recorded in the minutes of the meeting.

EXCHANGE FUND ADVISORY COMMITTEE

REGISTER OF MEMBERS' INTERESTS

NAME : _____

REGISTRABLE INTEREST	DETAILS
<p>A. Proprietorships, partnerships or directorships of companies, public or private</p> <p>Notes :</p> <p>(1) You should give the name of the company, briefly stating the nature of the business of the company in each case.</p> <p>(2) Both local and overseas companies are registrable.</p> <p>(3) You are not required to disclose the amount of any remuneration or benefit you receive.</p>	

REGISTRABLE INTEREST	DETAILS
<p data-bbox="172 331 724 427">B. Remunerated employments, offices, trades, professions or vocations</p> <p data-bbox="220 499 328 533">Notes :</p> <p data-bbox="220 604 767 936">(1) Indicate the name of the employment, office, trade, profession or vocation, and where a firm is named, please briefly indicate the nature of the firm’s business.</p> <p data-bbox="220 1086 735 1361">(2) An employment, office, trade, profession or vocation is “remunerated” where a salary, honorarium, allowance or other material benefit is payable.</p> <p data-bbox="220 1512 743 1659">(3) You are not required to disclose the amount of remuneration you receive.</p>	

REGISTRABLE INTEREST	DETAILS
<p data-bbox="172 331 767 483">C. Shareholdings in companies, public or private. Shareholdings include options to purchase shares.</p> <p data-bbox="220 555 320 589">Notes :</p> <p data-bbox="220 663 778 1173">(1) You should register the names of companies in which you have, to your knowledge, either yourself or with or on behalf of your spouse or infant children, a beneficial interest in shareholdings which have a nominal value greater than 1 per cent of the issued share capital of the company.</p> <p data-bbox="220 1323 772 1417">(2) Indicate in each case the nature of the business of the company.</p>	

REGISTRABLE INTEREST	DETAILS
<p>(3) Shareholdings should be registered on a worldwide basis.</p> <p>(4) There is no need to register the size or value of shareholdings.</p>	
DATE _____	SIGNATURE _____

Declaration of Interests by Members of Advisory Committees

When a Member of this Committee has a potential conflict of interests in a matter placed before the Committee, he should make full disclosure of his interest. The basic principle to be observed is that Members' advice should be disinterested and impartial and it is the responsibility of each Member to judge and decide if the situation warrants a declaration, and to seek a ruling from the Chairman in case of doubt.

It is impossible to define or describe all the situations that would call for such a declaration, because each individual case differs, and because of the difficulty of catering for unusual and unforeseen circumstances. On the other hand, it is not intended that a member should make a declaration of interest simply because the Committee is considering a matter in which he has knowledge or experience. The following may assist Members to identify potential conflicts of interest:

- Pecuniary interests in a matter under consideration by the Committee, held either by the Member or by any close relative of his, should be declared. Members are themselves the best judge to who, in the particular circumstances, is a "close relative".
- A directorship, partnership, advisory or client relationship, employment or other significant connection with a company, firm, club, association, union or other organisation which is connected with, or the subject of, a matter under consideration by the Committee, should be declared.
- Similarly, some friendships might be so close as to warrant declaration in order to avoid situations where an objective observer might believe a Member's advice to have been influenced by the closeness of the association.
- A Member who, as a barrister, solicitor, accountant or other professional adviser, has personally or as a member of a company, advised or represented or had frequent dealings with any person or body connected with a matter under consideration by the Committee, should make a declaration.
- Any interest likely to lead an objective observer to believe that the Member's advice might have been motivated by personal interest rather than a duty to give impartial advice, should be declared.

Declarations of interest may be made verbally during a Committee meeting or in writing to the Chairman or Secretary before the meeting. However, should a Member form the view that a conflict of interest renders it impossible for him to proffer impartial advice, or that he has been given access to information which he ought not to have, he should notify the Secretary or Chairman immediately and/or return any Committee paper concerned. The Chairman will then decide on the matter.