



Code of conduct for CSSF staff members

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I. General provisions

A. Definitions

For the purposes of this Code, the following definitions shall apply:

“CSSF staff” shall mean members of the CSSF’s Executive Board, the Resolution Director, civil servants, trainee civil servants, State employees, trainees and students¹ and all the persons exercising or having exercised a function for the CSSF;

“Service provider” shall mean a company or an officer of a company with which/whom the CSSF concluded a service provision contract, regardless of the service provision location;

“Conflicts of interest” shall mean any situation where the CSSF staff members have personal interests which may influence or appear to influence the impartial and objective performance of their duties;

“Personal interest” shall mean any benefit or potential benefit, of a financial or non-financial nature for CSSF staff members, their extended family members, or for their circle of friends or close acquaintances;

“Benefit” shall mean any gift, invitation or other advantage of financial or non-financial nature, which objectively improves the financial, legal or personal situation of the recipient and to which the recipient would not otherwise be entitled, including gifts and favourable conditions received individually or collectively, directly or indirectly.

B. Scope

This Code of conduct shall apply to the CSSF staff, even outside the CSSF headquarters premises if the staff members perform their missions on these premises.

It shall also apply to service providers, and in particular to the CSSF’s consultants and *réviseurs d’entreprises* (statutory auditors). Each consultant and other service provider under contract with the CSSF is required to take cognisance of it prior to each service provision.

¹ Application of this Code of conduct as annex considered to be part of their occupancy contract.

For missions performed upon CSSF request², on an ad hoc basis, experts as well as *réviseurs d'entreprises agréés*³ (approved statutory auditors) are *mutatis mutandis* committed to compliance with this Code by way of their engagement letter.

The provisions of this Code are without prejudice to the application of stricter rules of business ethics to people performing specific duties, in particular within European bodies.

C. Legal framework

It is recalled that, in any event, the CSSF staff must comply with the legal and regulatory framework already in force, including:

- Chapter 5 “Duties of the civil servant” of the Law of 16 April 1979 establishing the status of the State civil servants⁴ (the “Law on civil servant status”)⁵;

In particular, Article 9 of the Law on civil servant status provides that

“(1) The civil servant is required to fully comply with the laws and regulations which determine the duties imposed on him/her in the performance of his/her duties.

S/he must comply with the instructions (...) [of the Executive Board] which aim at the regular performance of his/her duties as well as the service orders of his/her superiors.

2. S/he is responsible for the performance of the tasks entrusted with him/her; s/he must assist his/her colleagues where the interest of the service so requires; the responsibility of his/her subordinates shall, in no way, release him/her from his/her own responsibilities.

3. S/he must ensure that the civil servants acting under his/her orders or on who s/he has imposed a disciplinary action, perform their duties, and must use, where appropriate, the disciplinary means at his/her disposal.

² Cf. for example in accordance with Articles 53 and 54(2) of the Law of 5 April 1993 on the financial sector.

³ Réviseurs d'entreprises agréés (approved statutory auditors) performing external audits for entities under the CSSF supervision for which they must be authorised, are not directly subject to this Code. However, they are subject to equivalent principles in terms of business ethics.

⁴ A significant number of legal requirements are also applicable by analogy to the members of the CSSF staff that have not the status of civil servant (cf. Article 1(3) and (5) of the Law on civil servant status. This Code of conduct is deemed to be for all staff members as service order.

⁵ Similarly, a future code of ethics applicable to the civil service for which a draft grand-ducal regulation exists, shall also apply to the CSSF staff.

4. Where the civil servant considers that an order received is irregular or its execution is likely to give rise to serious disadvantages, s/he must express his/her opinion, in writing and up the line for consideration. If his/her superior confirms the order in writing, the civil servant must comply with it unless the execution of this order is punishable under criminal law. If the circumstances so require, the order may be challenged and maintained orally. Each of the parties must confirm his/her position forthwith in writing."

- the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de Surveillance du Secteur Financier"), as amended.

No provision of this Code should be construed as to impair another law or another mandatory regulatory provision.

Therefore, the CSSF staff is required to comply with this Code of conduct which has been adopted by the Executive Board of the CSSF.

As a result, all the CSSF staff members have duties and obligations.

In general, the CSSF requires that its staff members work along the lines of the CSSF missions, that they serve with loyalty, integrity and impartiality and adhere to high standards of professional ethics.

The CSSF guarantees equality of opportunity and ensures respect for dignity of the staff members that are required to discharge their professional duties diligently and efficiently and to the best of their abilities.

D. Professional secrecy

Prior to joining the CSSF, any staff member is sworn in by a member of the CSSF's Executive Board and takes the following oath:

"I swear that I will be faithful to the Grand Duke, and be obedient to the Constitution and the State laws. I promise to perform my duties with integrity, accuracy and impartiality and to observe secrecy concerning all facts that have come to my knowledge in the course of or in connection with the performance of my duties."⁶

Staff members assigned to the department Resolution shall take the oath before the Director Resolution.

When taking office, CSSF staff members are especially reminded that they have to comply with the secrecy requirements imposed on them by the CSSF Law.

⁶ Article 14 of the CSSF Law.

The CSSF staff, including any person who performs or performed a duty for the CSSF, must comply with the secrecy requirements imposed on them by the CSSF Law and the regulations governing the topics and areas covered by the CSSF missions.

Article 16 of the CSSF Law provides that:

“Save for the exceptions provided for by law or by virtue of a law, the members of the bodies, the *réviseur d’entreprises agréé* (approved statutory auditor) and all persons performing, or having performed, a duty for the CSSF, shall be required to maintain secrecy relative to any confidential information received while, or on account of performing such duties, failing which they shall incur the **penalties referred to in Article 458 of the Penal Code**.

Such secrecy implies that, without prejudice to the provisions of the laws and regulations governing supervision, confidential information they receive in connection with their work shall not be disclosed to any person or authority whatsoever other than in summary or aggregated form which does not permit identification of individual companies under supervision, without prejudice to cases within the scope of criminal law. (...)”.

In accordance with the provisions of Article 458 of the Penal Code, those who divulge secret information entrusted to them, except where they are called upon to testify in court and where they are required or authorised by law to lift their secrecy obligation, shall be subject to imprisonment for eight days to six months and a fine from EUR 500 up to EUR 5,000.

Moreover, it should be borne in mind that the CSSF staff must comply with Article 11 of the Law on civil servant status which provides that:

“1. Civil servants are prohibited from disclosing facts which they have apprised by reason of their duties and which are secret because of their nature or the directives by their hierarchical superiors, unless the competent Minister has waived these requirements.

These provisions shall also apply to the civil servant who ceased to hold office.

2. Any misappropriation or communication of service exhibits or documents to third parties contrary to the laws and regulations is prohibited.”

The relevant persons shall remain subject to the obligation of professional secrecy even after the permanent or temporary cessation of their duties at the CSSF (departure, retirement, resignation, unpaid leave, dismissal, etc.).

E. Sanctions and discipline

Without prejudice to the relevant penal provisions and the possible implementation of the civil liability of a staff member, non-compliance by a staff member of the applicable legal provisions, including this Code of conduct and any other memo, may result in the application of disciplinary sanctions.

Consequently, Article 44 of the Law on civil servant status provides that:

"Any breach of his/her responsibilities within the meaning of this status renders the civil servant liable to disciplinary action without prejudice to possible application of a criminal sanction."

The actions or sanctions provided for in Article 47 et seq. of said law are applicable. Article 56 et seq. of the law on civil servant status shall govern the applicable disciplinary procedure.

Article 47 provides for the following disciplinary sanctions:

"1. Warning; 2. Reprimand; 3. Fine (...); 4. Relocation (...); 5. Suspension of biannual increases for a minimum period of at least one year and a maximum of three years (...); 6. Delays in advancement or salary increase for a period not exceeding one year (...); 7. Demotion (...); 8. Temporary exclusion from functions with or without partial or total remuneration withdrawal for a period of maximum six months (...); 9. Compulsory retirement for professional unfitness or failure to respect the civil servants' dignity (...); 10. Dismissal (...)"

The disciplinary procedure is governed by law. Disciplinary actions are taken following a multi-stage procedure which ensures compliance with the fundamental rights. The procedure applicable as well as the bodies involved therein shall take account of the working relationship between the relevant staff member and the CSSF (civil servant, employee, trainee) as well as the severity of the sanctions to be imposed. In any case, the procedure shall be contradictory and all staff members may institute proceedings against the decision.

II. Taking office

A. Cooling off period

New members of the CSSF staff that have previously been employed within an entity subject to the supervision of the CSSF (e.g. credit institution, management company, investment firm, etc.), or within a service provider of the financial sector (e.g. law firm, audit firm, etc.) or by any other entity operating in the financial sector, cannot be involved, at the CSSF, in a file relating to their former employer or a file on which they have worked with their former employer, for a period of minimum one year. A longer period might be determined by the Executive Board, taking into account the duties performed for the former employer or if the arising conflict of interest is substantial even after the one-year period.

To this end, new staff members are required to report any conflict of interest identified or any potential conflict of interest to the Executive Board by using the declaration form.

Within the context of this procedure, the Executive Board ensures compliance with the provisions applicable to data protection of natural persons with regard to the processing of personal data.

B. Wealth and relationship declaration when taking office

When taking up office, each newly-engaged staff member must make the declarations required under points III. B. 2.4 and 3.4 of this Code.

III. Performance of duties

A. CSSF internal relationships

1. Internal secrecy

All staff members are subject to Article 16 of the CSSF Law which includes the provisions relating to professional secrecy. Cooperation between departments requires the spontaneous transmission of any useful information. However, staff members are required to exchange particularly sensitive information between them on a need-to-know basis only.

2. Behaviour

IV. Article 10.1 of the Law on civil servant status provides that the staff member

"(...) is required to behave with dignity and civility in all dealings with his/her superiors, colleagues and subordinates (...)."

Each staff member shall perform his/her duties with loyalty under the hierarchical authority of his/her superior.

S/he shall exercise restraint in respect of any facts that could be detrimental to the public interest, the proper functioning of the public service or harm the privacy of the citizens.

Staff members are entitled to receive from their superiors clear instructions relating to their tasks.

Each staff member is bound by his/her duties of availability, impartiality, independence and neutrality.

The CSSF encourages all staff members to work together in a culture of mutual support and cooperation. Staff members are asked to behave with their colleagues with respect and courtesy.

3. Dignity at work

In respect of dignity at work and psychological or sexual harassment, staff members must comply with the provisions of Article 10 of the Law on civil servant status which provides that:

"1. Outside or within the performance of his/her duties, the civil servant must avoid anything detrimental to the dignity of these duties or his/her ability to perform them, anything that might lead to scandal or compromise the interests of the public service.

S/he is required to deport himself/herself with dignity and civility in regard to both his/her superiors, colleagues and subordinates as well as users of his/her service that s/he must treat with understanding, consideration and without any discrimination.

2. The civil servant must refrain from any form of psychological or sexual harassment in his/her working relations as well as any form of harassment as referred to in subparagraphs 6 and 7 of this paragraph.

Any conduct of a sexual nature or other conduct based on sex that anyone who is guilty thereof knows or should know that it affects the dignity of a person at work constitutes sexual harassment in the context of the working relations within the meaning of this code when one of the three following conditions is met:

- a) the conduct is unwanted, abusive and hurtful for the person who is subject to it;
- b) the fact that a person refuses or accepts such a conduct from a colleague or a user is explicitly or implicitly used as the basis for a decision affecting the professional interests of this person;

c) such a conduct creates an intimidating, hostile, degrading, humiliating or offensive environment towards a person subject to it.

The conduct may be physical, verbal or non-verbal.

The element of intent is presumed.

Any conduct which, due to its recurrent or systematic nature, undermines the dignity or physical or psychological integrity of a person constitutes psychological harassment in the working relations within the meaning of this article.

Any undesirable conduct related to any of the reasons referred to in the first subparagraph of Article 1a that takes place with the purpose or effect of violating a person's dignity and of creating an intimidating, hostile, degrading, humiliating or offensive environment constitutes harassment.

Any undesirable conduct related to the sex of a person that takes place with the purpose or effect of violating a person's dignity or the physical integrity of a person and of creating an intimidating, hostile, degrading, humiliating or offensive environment constitutes harassment. (...)"

Moreover, any staff member witnessing acts amounting to a form of harassment or bullying should offer assistance to the victim.

The fact that the author of a form of harassment is the superior of the victim shall constitute an aggravating circumstance.

4. Use of the CSSF's services and resources for private purposes

Staff members are required to use the CSSF's funds the professional facilities and equipment made available to them, efficiently and economically; they should not, in principle, be used for private purposes.

In addition, any unnecessary or excessive professional fees should be avoided by the staff members.

5. Whistleblowing policy

Staff members are required to report any suspicion or presumption of activity materially established contravening the legal provisions relating to the CSSF missions and/or provisions of this Code of conduct to the Executive Board and the legal expert of the department "Personnel, administration and finance" (PAF). Staff members are required to cooperate during the investigations into these facts.

6. Basic rules

People willing to report such a failure are requested to make a written declaration stating the reasons therefor, in the most precise and concrete possible way (facts, time, circumstances, witnesses, etc.), by using the dedicated reporting form. The declaration cannot be considered when made anonymously.

This form must be sent under sealed cover to a member of the Executive Board and a legal expert from the PAF department.

The whistleblowing policy is intended to make it easier for staff members to report irregularities in good faith without having to fear that their action may have adverse consequences. By creating an environment of trust and ensuring protection for its staff, the CSSF encourages their contribution to the proper operation of the public service tasks. It implements arrangements ensuring that staff members reporting irregularities in good faith are afforded the most effective and broadest possible protection against any retaliation or reprisal, whether actual or threatened, as a result of their whistleblowing. The persons covered by these declarations as well as all the other persons involved also benefit from a high level of confidentiality as well as a protection of their personal data.

In this context, Article 44a of the Law on civil servant status explicitly specifies that no civil servant can be subject to reprisals for having attested to or given accounts of acts such as illegal taking of interest, corruption etc. Consequently, Article 44a provides that:

- "1. The civil servant cannot be subject to reprisals either due to protests or refusals of an act or conduct contrary to the principle of equal treatment defined in Articles 1a and 1b of this law, or in response to a complaint lodged or a legal action aiming at enforcing compliance with the principle of equal treatment.
2. Similarly, no civil servant can be subject to reprisals for either having attested to the acts defined in Article 1a and 1b of this law or in Articles 245 to 252, 310 and 310-1 of the Penal Code or for having given accounts for them.
3. Any provision or act contrary to the two preceding paragraphs, and notably any disciplinary measure in violation of these provisions, is null and void."

The relevant staff members must, in no case, be subject to reprisals as a result of a report made in accordance with the legal provisions relating to the CSSF missions and/or this Code of conduct. The staff reporting incidents in good faith must be protected. However, when it appears that the facts are groundless and that the reporting staff acted in bad faith, or with the intent to harm another staff member or to prejudice his/her honour, the reporting person is exposed to the risk of disciplinary or criminal proceedings.

The facts reported are subject to verification in the appropriate forms and a consultation with the Executive Board will take place within the appropriate periods. The latter may call the reporting staff to answer any remaining questions.

Where the result of this consultation tends to confirm the facts, the agent against whom the charges are brought will be heard by the Executive Board and the legal expert of the PAF department. During this hearing, s/he will be able to explain his/her side of the story by providing details or objections, s/he may be accompanied by a staff member of his/her choice, who may refuse. Where the facts are definitively confirmed, the CSSF should take the necessary steps to identify the appropriate remedies. The legal expert of the PAF department shall report, without undue delay, any major incident related to non-compliance with the legal provisions relating to the CSSF missions and/or the provisions of the Code of conduct to the Organisational Development Committee in accordance with Article 6(4) of Guideline (EU) 2015/856 of the European Central Bank of 12 March 2015 laying down the principles of an Ethics Framework for the Single Supervisory Mechanism (ECB/2015/12).

The fundamental rights of any person involved in the facts reported must be complied with while ensuring the efficiency of the procedures provided for. Thus, not only the person concerned by the complaints benefits from the protection of his/her fundamental rights but also any other persons, such as for example the witnesses or persons suffering damage.

The Executive Board as well as the legal expert of the PAF department and the persons involved shall ensure, in the context of this procedure, compliance with the provisions applicable to the protection of the natural persons as regards personal data processing.

Finally, the CSSF staff members also benefit from the provisions of the Law on civil servant status relating to the protection from their employer (Articles 32 to 35).

B. External relations

1. General principles

Any CSSF staff member must act and behave in the interest of safeguarding a good image and good reputation of the CSSF in respect of the relations with the outside world.

Indeed, Article 10 of the Law on civil servant status provides that:

"Outside or within the performance of his/her duties, the civil servant must avoid anything detrimental to the dignity of these duties or his/her ability to perform them, anything that might lead to scandal or compromise the interests of the public service. S/he is required to deport himself/herself with dignity and civility when providing services (...) with users of his/her service that s/he must treat with understanding, consideration and without any discrimination."

In any circumstance, staff members must avoid any conduct or statements that could jeopardise the perception of their independence and impartiality in the performance of their professional duties.

These provisions lay down the rules of conduct of the staff members towards the outside world.

The standards aim first to establish rules as regards conflicts of interest as well as rules aiming at specific situations that staff members may encounter in their daily activities. If the staff encounter concrete situations which are not provided for below, they will be invited to submit the case to the Executive Board in order to obtain guidelines for their conduct and behaviour. Another purpose of the provisions is enhancing the anti-corruption prevention, both as regards supervised entities and providers. Corruption and pursuit of personal benefits are factors that harm the good reputation and the proper functioning of the CSSF, thereby undermining confidence in the public service provided by the CSSF. These preventive measures, which also aim at preventing breach of market abuse provisions provide for declaration obligations (assets and relations) on a strictly confidential basis. The provisions of this Code are without prejudice to application of penal law.

2. Independence

2.1. Conflicts of interest

It is recalled that staff members are required to comply with Article 14.3 of the Law on civil servant status which provides that:

"Civil servants⁷ must not have any kind of interest, either directly or via a third party whatever its denomination and whichever its legal form, in an institution subject to the control of their administration or department, or in relation with their administration or department."⁸

It is also reminded that staff members are required to comply with Article 15 of the Law on civil servant status which provides that:

⁷ Cf. Article 1(3) and (5) of the Law on civil servant status which extends a certain number of provisions on the status to the civil servants trainees and employees.

⁸ Cf. also Administrative Court (19981) of 21 December 2005 which specifies in this respect that "the legislator referred to any material or moral interest, however small. - Moreover, undertakings in which it is forbidden to take interests are those subject to the control of the administration or the department of the civil servants or in relation to this administration or department and not only the undertakings subject to the personal control of the civil servants or directly related to them".

"The civil servant who, in the performance of his/her duties, is called upon to decide on a matter in which s/he has direct or indirect personal interests that would jeopardise his/her independence, must inform his/her superior. In this case, where the hierarchical superior considers that the independence of the civil servant may be compromised, s/he must relieve the civil servant from this case and transmit the file to another agent of his/her administration."

Staff members must immediately report any conflict of interest or potential conflict of interest in writing to the Executive Board and the legal expert of the PAF department. If any such conflict of interest arises, the Executive Board may entrust the examination of the file(s) concerned to another staff member.

a) The declaration is also compulsory in case of any potential conflict of interest relating to the employer of the spouse/partner or relatives (e.g. children/parents).

b) This declaration obligation is enhanced for agents holding a sensitive position and people stating that they are leaving the CSSF to join a supervised entity. "Agents holding sensitive functions" are agents who, due to their hierarchical position within the CSSF or the nature of their functions, regularly receive confidential information or have access to inside information otherwise than on an ad hoc basis.

The declaration form must be delivered to a member of the Executive Board and the legal expert of the PAF department.

The Executive Board and the legal expert of the PAF department as well as the persons involved shall ensure, in the context of this procedure, compliance with the provisions applicable to the protection of natural persons in respect of the personal data processing.

2.2. Ancillary services

In general, as regards ancillary activities, the CSSF staff is required to comply with the provisions of Article 14 of the Law on civil servant status⁹:

1. No ancillary activity (...) may be carried out or authorised if it cannot be reconciled with the thorough and complete performance of the duties relating to the function or, where there is an incompatibility, either in fact or in law, with respect to the authority, with the independence or the dignity of a civil servant.

⁹ See also the memos relating to the various cases of extraordinary remunerations.

2. An ancillary activity within the meaning of this Article is any paid service or work which civil servants are in charge of outside their duties, either on account of the State, a commune, a syndicate of communes, a national or international public institution, either on account of a private undertaking or of a private individual.

(...) 5. Civil servants must not carry out a commercial, craft or industrial activity nor exercise an independent profession or paid activity in the private sector without prior authorisation by the competent minister, on prior assent from the minister responsible for the public sector and administrative reform (*ministre de la Fonction publique et de la Réforme administrative*). This provision also applies to real estate business.

Shall not be counted as activities within the meaning of the preceding paragraph:

- scientific research;
- publication of works or articles;
- artistic activities as well as
- trade union activities. (...)"

6. Civil servants must not participate in the management, administration or supervision of a commercial company or industrial or financial institution without prior authorisation by the competent minister, on prior assent from the minister responsible for the public sector and administrative reform.

7. Civil servants must not carry out a paid activity in the national or international public sector without prior authorisation by the competent minister, on prior assent from the minister responsible for the public sector and administrative reform.

No civil servant may simultaneously exercise several ancillary activities unless so required in the interest of public service and provided the conditions set out in the first paragraph are met."

Any staff member willing to carry out an ancillary activity whose exercise is subject to authorisation, shall submit a duly reasoned request to the Executive Board. Ancillary activities must be carried out outside the working hours of the person concerned. The authorisation may include reservations and conditions. It may be revoked by a reasoned decision from the Executive Board.

Any ancillary activity that may directly or indirectly jeopardise the performance of the duties of the person concerned or that would be incompatible with his/her main function or the rules from this Code shall not be authorised. Each staff member is bound by the duty of availability, independence and neutrality. The ancillary activity must be compatible with the thorough and complete performance of the duties of the function occupied.

If a staff member is elected to an elective public office, s/he must inform the Executive Board. The political activity carried out by the person in question shall be subject to the rules applicable to a political leave.

2.3. Benefits (including favourable conditions with banks)

Article 10.3 of the Law on civil servant status provides that no member of CSSF's staff "(...) shall solicit, accept or be promised from no one, directly or indirectly, any material benefit whose acceptance could bring him/her into conflict with the obligations and defences imposed by the laws and regulations and, in particular, this status."

Staff members cannot exercise their powers, their influence and use the professional information they have, or their status as CSSF staff members to reap personal advantages of any nature whatsoever.

Personal benefits

In order to safeguard each staff member's impartial behaviour, s/he is prohibited from soliciting, demanding, receiving or accepting benefits (or promises of benefits) from a private or legal person with whom s/he maintains or may maintain professional relationships. Where appropriate, benefits are to be returned or repaid, except for those of a customary or negligible amount (maximum EUR 50) (e.g. advertising material), provided that, in the latter case, these benefits are not frequent and do not come from the same source.

This prohibition does not concern invitations and gifts in a context that rules out any purpose linked to the exertion of influence, as for example when participating in a professional meeting or a conference. The legal expert of the PAF department may develop FAQs in order to provide clarification on the meaning of "context that rules out any purpose linked to the exertion of influence".

In case of doubt, staff members who received or were offered a personal benefit, a gift or an invitation may notify it to the Executive Board, which may seek advice from the legal expert of the PAF department.

The information obligation shall also apply to the benefits an agent declined or refused on his/her own initiative, including those amounting to EUR 50 or less.

There is no exception to the prohibition on staff members to solicit, demand, receive or accept benefits as regards benefits granted by credit institutions to staff members of the ECB or an NCA during on-site inspections or audit missions, except for hospitality offers of an immaterial amount made during working meetings.

This point also concerns staff members in relation to providers and in charge of the negotiation of contracts. Staff members who, by the nature of their duties, were involved in the negotiation of a contract for goods or services, are required to declare to the Executive Board whether they concluded, in their personal capacity, contracts with a firm with which they are in contact by reason of their duties.

These provisions shall also be applicable to the spouses/partners of staff members as well as their relatives, when benefits, gifts and invitations are also extended to them.

General or individual favourable conditions for staff members or a third party are incompatible with the performance of duties as a CSSF staff member.

This incompatibility shall also apply to favourable terms for a CSSF agent with a supplier of goods or provider of services.

However, the prohibitions referred to in sub-paragraphs 8 and 9 above shall not apply to CSSF staff members when their spouse or partner obtained for themselves and, where appropriate, their spouse or partner, these favourable terms by reason of their position at one of the entities concerned, insofar as these conditions are normally granted to the employees of this entity in similar situations.

2.4. Relationship declaration

It should be borne in mind that staff members are required to comply with Article 14.4 of the law on civil servant status:

4. "The civil servant must notify the "Minister¹⁰" of any professional activity carried out by his/her spouse "or his/her partner", with the exception of those accomplished for the State. If the Minister considers that such activity is incompatible with the function of civil servant, and if the latter cannot guarantee that the activity will cease within the period set by the Minister, the appointing authority shall decide whether the civil servant shall change residence, administration, function or assignment, with or without change of residence, or if the civil servant shall be dismissed ex officio (...)".

Each staff member is required, when taking office and when this memo enters into force, respectively, to notify the Executive Board in writing of any relationships/he has with an authorised natural person in files in which the staff member is likely to be involved (e.g. economic relationship, first-degree family relationship, etc.).

A declaration form is available in annexe III of this Code.

In the case of any change in the factual situation that has been declared, a reviewed declaration must be submitted to the Executive Board by the staff member concerned.

The Executive Board shall ensure, within the context of this procedure, compliance with the applicable provisions regarding the protection of natural persons with reference to the processing of personal data.

¹⁰ Cf. "Executive Board".

2.5. Requests for interviews, public speeches or publication of an article

The Executive Board's agreement is required prior to a staff member's positive response to requests for interviews, speeches, conferences or publications of articles involving the CSSF or being directly or indirectly linked to the CSSF.

2.6. Behaviour in particular situations and other sensitive situations

In the event of a particular or unplanned situation or in case of doubt about the application of this Code, the person concerned is required to declare the facts in question in order for the Executive Board to give its opinion on the behaviour to adopt. Thus, the person avoids being affected by conflicts of interest.

The participation in trade events or exhibitions, which may however be deemed as useful for the CSSF, may inter alia constitute a delicate situation.

3. Private financial operations

3.1. General principles

Without prejudice to Article 14.3 of the law on civil servant status, staff members shall show utmost care and caution in the conduct of private financial operations¹¹ for their own account or for third parties in order to preserve the CSSF's and ECB's reputation and credibility as well as the public's trust in its staff's integrity and impartiality. Such operations shall not be of speculative nature, are limited and in reasonable proportion to their income and their assets in order to maintain their financial independence. These operations shall be executed with due diligence.

In this context, staff members cannot use the CSSF's communication channels or professional contacts to manage their personal financial operations.

The Executive Board may adopt binding guidelines for the interpretation and application of this point 3. It may notably indicate other private financial operations which are forbidden or subject to prior authorisation, if such operations are or may be considered as incompatible with those carried out by the CSSF.

¹¹ "Operations" shall mean an act or a series of (material or intellectual) acts requiring consideration and a combination of means in order to achieve a specific result.

In the event of any doubt about this article, staff members shall seek advice from the Executive Board before undertaking a private financial operation. The Executive Board may seek advice from the legal expert of the PAF department.

3.2. Inside information obligations

Staff members are prohibited from using or trying to use information received when performing their duties which have not been made public or which are not accessible to the public (hereinafter "inside information") in order to promote their own private interests or those of a third party.

Article 8 of the Law on market abuse provides, in this respect, that:

"1. Any person who (...) by virtue of his/her access to the information through his/her employment, profession or duties (...) possesses inside information, is prohibited from using that information by acquiring or disposing of, or by trying to acquire or dispose of, for his/her own account or for the account of a third party, either directly or indirectly, financial instruments to which that information relates. (...)"

Staff members are specifically prohibited from taking advantage of inside information during any private financial operation or when recommending or advising against such operations.

Thus, as regards operations within the meaning of the Law on market abuse, the operations carried out by the following persons are subject to this Code of conduct:

- CSSF staff members acting in their own name and for their own account as well as the persons having a community of interest;
- staff members acting on behalf of third parties, inheritance, associations or companies;
- third parties (individuals or companies) acting on behalf of staff members, whether acting individually or collectively.

These operations include those carried out by third parties for own account based on investment or wealth management advice provided by the persons referred to above.

In general, staff members must not communicate inside information to anybody, except for professional purposes in the performance of their duties with the CSSF or when required or allowed by the law.

Staff members must keep this information confidential both outside and within the CSSF.

Even if all staff members are subject to professional secrecy, sensitive information, which has not yet been made public, must only be transmitted to the persons involved in the files.

In the case where a survey on market abuse or insider dealing is ongoing, staff members that intervened on the instruments concerned, even if inadvertently, must provide full assistance, where appropriate spontaneously, to the investigating officers.

3.3. Private financial operations categories

Private financial operations are to be classified into four categories:

- Operations allowed without notification (a.);
- Prohibited operations (b.);
- Operations subject to the prior notification obligation to the Executive Board (c.);
- Operations subject to the Executive Board's prior authorisation (d.). For these category d. operations, the staff member must clarify their compatibility with the principles of this Code beforehand with the Executive Board. The Executive Board may seek advice from the legal expert of the PAF department.

In any case, the amount of time spent on the financial operations and their follow-up must be short and must not prevent the staff member from devoting all of his/her working time to the performance of his/her duties.

As a general rule, private financial operations must not be too risky and/or speculative so as to avoid compromising eventually the financial balance of the CSSF staff member and/or of his/her dependent relatives. The staff member shall thus manage his/her private funds on a "prudent-man basis".

a. Private financial operations allowed without notice

Without prejudice to the general obligations and Article 14.3 of the Law on civil servant status, staff members may carry out the following private financial operations without being subject to a notification obligation:

- i) Holding and managing standardised accounts (e.g. current accounts, savings accounts and home savings products under standard conditions) on a "prudent-man basis";
- ii) The purchase or sale of units/shares in an undertaking for collective investment within which the staff member has no influence on the investment policy, except for undertakings whose main purpose is to invest in units/shares referred to in point b. ii) (below, prohibited operations) as well as transfers of funds and foreign exchange operations directly related to the purchase or sale in question;
- iii) The conclusion of pension policies which do not confer on the holder any power to intervene in investment decisions;
- iv) The purchase or redemption of insurance policies or annuities, except where these are invested in prohibited instruments referred to in point b. below;

- v) The purchase or sale of currencies in order to acquire investments or non-financial assets on an occasional basis, for private travels, or in order to cover personal current or future expenses in a currency other than that in which the salary of the staff member is paid;
- vi) The expenses linked to the purchase or sale of investments or non-financial assets, including of real estate property;
- vii) The payment of debts to the State, an administration or a public institution (e.g. tax debts and parafiscal debts, fines, etc.);
- viii) The payment of debts pursuant to contracts concluded with an individual or a trader (whose object is e.g. a trip, the purchase of a vehicle, etc.);
- ix) Mortgage loans and other personal loans, in particular for private consumption;
- x) The transfer of funds from a current or savings account of a staff member held in any currency to another current or savings account held by this member or a third party;
- xi) Other private financial operations that are not referred to in points i) to vii) above, that are not prohibited (cf. b.) and whose value does not exceed EUR 10,000 during any calendar month. These operations of a reduced amount must not be subject to an authorisation application as referred to in point d. Staff members cannot split these private financial operations in order to circumvent this threshold.

b. Prohibited private financial operations

Staff members shall refrain from carrying out the following private financial operations:

- i) Operations relating to or with legal persons or natural persons with whom the staff member continues to maintain professional relationships in the name of the CSSF or the ECB other than those referred to in point a. and which are thus allowed;
- ii) Operations relating to:
 - (1) negotiable bonds or individual shares issued by financial companies (other than central banks) established or having a branch in the Union and supervised by the CSSF and/or the ECB;
 - (2) derivative instruments linked to these bonds or shares;
 - (3) combined instruments if one of the components is governed by point (1) or (2); or

(4) shares of undertakings for collective investment whose main purpose is to invest in these bonds, shares or instruments, supervised by the CSSF.

Staff members may keep the assets arising from operations within the meaning of this point:

- iii) which they hold at the time the restrictions defined in this Article 3.3 were imposed on them or which they acquired at the time the operations were not prohibited pursuant to this Code;
- iv) they acquired subsequently, without any action on their part, notably, by inheritance, as a gift, following a change of civil status or a change in the structure of the capital or a change in the control over the entity within which the staff members hold assets or rights.

Staff members shall seek advice from the Executive Board if the retention and the exercise of the rights attached to these assets are likely to create a conflict of interest. In this case, the Executive Board may request that this staff member dispose them within a reasonable period of time, if this avoids any conflict of interest.

c. Private financial operations subject to the obligation of prior notice

Financial operations made by third parties to whom the staff member freely entrusted the management of their private financial operations in accordance with an asset management agreement concluded in writing are not subject to the restrictions defined in points b. and d. of this article but must be notified beforehand to the Executive Board. The Executive Board may seek advice from the legal expert of the PAF department in order to verify that the information provided demonstrates that, in accordance with the agreement, the staff member cannot influence, directly or indirectly, any management decision the third party must make. The staff member informs the Executive Board of any amendment of the conditions of the asset management agreement.

d. Private financial operations subject to prior authorisation

For private financial operations other than those referred to in points a., b. or c., staff members shall specify the compatibility with the principles of this Code with the Executive Board beforehand. The Executive Board may seek advice from the legal expert of the PAF department.

The Executive Board shall ensure, within the context of this procedure, compliance with the applicable provisions relating to the protection of natural persons with regard to the processing of personal data.

3.4. Wealth declaration¹²

- i) Each staff member is required, within the first three months after taking office and within the first three months after the entry into force of this memo, to make a confidential written declaration, to be provided to the Executive Board in a sealed envelope, listing the entities subject to the CSSF's and/or the ECB's supervision in which the staff member concerned holds, directly or indirectly, capital shares or other transferable securities or claims, without specifying the amount of the investment¹³. This declaration shall also be provided in case where the staff member does not hold such shares or values or claims. The members of the Executive Board must provide an indication of the amount of the various components of the assets declared.
- ii) These declarations allow, in particular, the staff members to become aware of their rights and duties as regards their investments and the operations relating to them with respect to confidential information which they are likely to have and to be able to establish an ex post behaviour in good faith concerning their investments as well as the operations relating to them. A director, the staff member concerned and a staff member of his/her choice must be present when the envelope is opened, and must sign a report on the envelope opening. A declaration form is available in annex IV of this Code. The declarations shall exclusively include the names of the entities concerned and, as far as possible, the date of the investment, without indication of the significance of the investment. The Executive Board will keep the sealed envelopes safe from any indiscretion and any other person than a member of the Executive Board.

¹² The wealth declaration reflects a situation or a statement of assets and liabilities at a given time. The wealth declaration is to be distinguished from the private financial operation declaration. The wealth declaration must be made again following asset changes, whether this change results from a private operation that must be notified or not. Consequently, the wealth declaration may need to be made again even without prior notice of a private financial operation.

¹³ It is not sufficient to only declare the securities accounts or the number of the pension policy, except if the final investment is unknown or identified/identifiable.

- iii) The envelope must be sealed and bear the mention “wealth declaration”, the name of the notifying person, his/her signature and the date of the declaration. These declarations shall also extend to joint accounts held by staff members.
- iv) In case of change of the factual situation having existed at the time of the declaration, a reviewed declaration must be submitted to the Executive Board by the staff member concerned.
- v) A false declaration is likely to give rise to court proceedings. In case of concrete suspicions or investigations against one or several staff members regarding their transactions, the Executive Board may carry out a targeted control of the declarations to protect the good reputation of the CSSF and those of its staff members.
- vi) In any case, the Executive Board shall ensure, within the context of this procedure, compliance with the provisions applicable to the protection of natural persons as regards the processing of personal data.
- vii) The initial wealth declaration and the subsequent declarations do not exempt staff members from complying with the provisions and prohibitions of this Code of conduct or other provisions (e.g. ECB, etc.) applicable, where appropriate.
- viii) For the members of the Executive Board, the wealth declaration referred to in annex IV of this Code shall be replaced by the wealth declaration in annex V. This declaration must be updated annually.

V. Termination of duties

A. Application of the Code of conduct following the termination of duties

The provisions of this Code of conduct, in particular those relating to the personal benefits, gifts, invitations and favourable conditions as well as those concerning personal transactions, shall apply during one year after the termination of duties to any person having ceased to carry out his/her duties, permanently or temporarily, within the CSSF.

A CSSF staff member shall ensure that s/he does not take advantage of his/her function to obtain any employment opportunity outside the CSSF. S/he shall not allow the prospect of another employment to create a real or potential conflict of interest.

As soon as negotiations concerning a change in employment for a professional under the supervision of the CSSF and/or the ECB take concrete shape, the persons in question shall advise the Executive Board and refrain from any activity which might have a connection with their future employer.

As soon as the person in question informs the CSSF that the change in employment is final, the CSSF may contact the future employer in order to specify that the person in question remains bound by professional secrecy after leaving the CSSF and to point out the delicate nature of the resulting situation. In the same context, the CSSF also reserves the right to submit the new employer to a more rigorous supervision, in particular taking into account the professional secrecy by which the person remains bound after his/her departure.

In any event, the CSSF shall examine the relevant person's activities during at least the previous six months with the CSSF.

B. Provisions applicable to the members of the Executive Board

The members of the Executive Board cannot carry out a remunerated professional activity at an entity subject to the supervision of the CSSF and/or the ECB before the expiry of one year as from termination of their duties at the CSSF (cooling-off period).

Any member of the Executive Board may ask the Executive Board to take a decision on the cooling-off period applicable to him/her. In circumstances that allow excluding a conflict of interest resulting from the remunerated professional activity contemplated by the member of the Executive Board, the Executive Board may decide whether or not to grant an exemption or a reduction of the cooling-off period.

C. Professional secrecy and use of information obtained during employment at the CSSF

A former CSSF staff member must not take advantage of his/her former position, and in particular of the inside information or expanded skills accumulated in this respect. S/he is not allowed to use or disclose confidential information obtained in his/her capacity as CSSF staff member. The same applies to providing advice based on specific knowledge obtained in the context of his/her former duties and which are not available to the public.

D. Relationships with former CSSF staff members

A CSSF staff member cannot grant another CSSF staff member either a preferential treatment or a privileged access to the CSSF or any advantage which would result from his/her previous positions.



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