

PUBLIC

CODE OF CONDUCT APPLICABLE TO
STAFF MEMBERS OF THE BANQUE
CENTRALE DU LUXEMBOURG

2023

(effective as of 01/10/2023, repeals and replaces the Code of Conduct dated 2017, with respect to members of the Executive Board and agents – In the event of inconsistency or discrepancy between the French version and the present English version, the French language version shall prevail)

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Preamble

The implementation of a professional ethics framework is an essential condition for the Banque centrale du Luxembourg (the “BCL”) to be a centre of excellence whose performance generates public confidence and thus to strengthen its strategic position within the Eurosystem and the Single Supervisory Mechanism (SSM)¹.

In 2001, a first version of the Code of Conduct (the “Code”) defined the rules of conduct applicable to agents. In 2008, the BCL Council approved an extended version of the Code of Conduct, subsequently amended in 2012, that was applicable to both agents and members of the statutory bodies.

In 2017, the BCL amended the Code of Conduct to comply with the guidelines adopted by the Governing Council of the European Central Bank (the “ECB”) in 2015².

In 2023, the BCL adapted the Code of Conduct to incorporate two new guidelines adopted by the Governing Council of the ECB in 2021³ (the “Guidelines”), constituting the recast of the aforementioned 2015 guidelines. On this occasion, the BCL took the decision to split the Code of Conduct into two: 1) this Code of Conduct applicable to BCL staff members (hereinafter the “staff Code”), dedicated to BCL agents and members of the Executive Board and 2) a specific Code of Conduct dedicated to BCL Council members, Executive Board members and BCL Council members non-staff members of the BCL (the “Council members Code”). The two Codes of Conduct are referred to below as the “Codes”. Financial transactions carried out privately are subject to specific provisions, included in the internal circular entitled *Special rules applicable to private financial transactions*, which also includes the list of insiders and the list of insiders exposed to conflicts of interests.

The staff Code, the internal circular entitled *Special rules applicable to private financial transactions* and the internal circulars identified in section 35 of this staff Code are *ordres de service*, pursuant to Article 9 of the Law of 16 April 1979 *fixant le statut général des fonctionnaires de l’Etat*, as amended, applicable where appropriate by analogy to the BCL, without prejudice to the application of legal or other specific provisions:

- the *Law of 23 December 1998 relative au statut monétaire et à la Banque centrale du Luxembourg* (Organic Law of the BCL) as amended;
- the *Protocol on the Statute of the European System of Central Banks (ESCB) and of the ECB*, in particular Article 7 thereof relating in particular to the independence of national central banks and their decision-making bodies;
- the *Code of Conduct for high-level ECB officials* (the “Single Code”).

The staff Code is incorporated into the BCL’s *Manuel des instructions internes*, which contains all *ordres de service* applicable to BCL staff members. The *Manuel des instructions internes* is made available to BCL staff members in the internal document management database.

Staff members are informed, via the BCL intranet site, of the publication of new *ordres de service* in the *Manuel des instructions internes*. Departmental procedures are communicated directly to agents by their line manager.

I. General principles and missions

In addition to national legislation, as a member of the European System of Central Banks, the BCL

¹ In accordance with internal circular CI 04113 – *Positionnement de la Banque / Missions, Objectifs stratégiques et Principes d’organisation de l’Eurosysteme et du mécanisme de surveillance unique*.

² Guideline (EU) 2015/855 of the ECB of 12 March 2015 *laying down the principles of a Eurosystem Ethics Framework*, and Guideline (EU) 2015/856 of the ECB of 12 March 2015 *laying down the principles of an Ethics Framework for the Single Supervisory Mechanism*.

³ Guideline (EU) 2021/2253 of the ECB of 2 November 2021 *laying down the principles of a Eurosystem Ethics Framework*, and Guideline (EU) 2021/2256 of the ECB of 2 March 2021 *laying down the principles of an Ethics Framework for the Single Supervisory Mechanism*.

complies with the principles adopted by the ECB in its Guidelines on professional ethics for the Eurosystem and for the SSM (see Preamble)⁴.

It also complies with the principles set out in the Single Code, for members of its staff with a mandate as high-level ECB official.

The statutory bodies of the BCL are the Executive Board and the Council. In accordance with Article 11 of the BCL Organic Law, the Executive Board is the highest executive authority of the BCL, particularly as regards the accomplishment of the BCL missions within the framework of the Eurosystem, the ESCB and the SSM. In carrying out its mission, the Executive Board is assisted by the BCL agents. The BCL Council has the powers defined in Article 6 of its Organic Law.

In accordance with Article 5 of the BCL Organic Law, using the terms of Article 7 of the Statute of the ESCB, members of the Executive Board act independently; they may neither seek nor accept instructions from institutions or bodies of the European Union, from governments of Member States, or from any other body, when exercising the powers conferred upon them in the context of the ESCB functions.

In accordance with Article 13 of the Organic Law of the BCL, the Executive Board shall take its decisions collectively, without prejudice to the independence of the Director General with respect to any instruction in his/her capacity as a member of the Governing Council of the ECB, and without prejudice to the provisions relating to professional secrecy applicable to the ESCB.

Within the framework of Article 11 of the aforementioned Organic Law of the BCL, the Executive Board develops the measures and takes the decisions required to perform the BCL tasks.

Agents shall perform their respective missions in accordance with high professional ethical standards, while respecting the independence of the BCL, its reputation and professional secrecy. In this sense, they may not seek or accept instructions from European Union institutions, bodies or organisations, governments of Member States, international organisations or any other bodies.

2. Definitions

For the purposes of this Code, the following terms and definitions apply:

- a) “agent”: any person in the service of the BCL, in accordance with Article 14 of the Organic Law of the BCL, under public or private law status, including – unless otherwise provided for in the Code – students and interns, as well as persons seconded from other central banks;
- b) “advantage” means any gift, act of hospitality or other advantage, whether financial, in kind or otherwise, that does not constitute the agreed remuneration for the services provided and to which the recipient is not otherwise entitled;
- c) “conflict of interests” means a situation in which personal interests may influence, or be perceived to influence, the impartial and objective exercise of functions and responsibilities.
- d) “non-public information” means any information, whatever its form, relating to the performance, by the BCL, of BCL, Eurosystem and SSM tasks, and which has not been made public.
- e) “market-sensitive information” means any specific non-public information whose publication could clearly have a significant impact on asset prices or financial market prices (including information relating to the performance of Eurosystem tasks by the Eurosystem central banks or relating to the performance of prudential supervisory tasks entrusted to the BCL).
- f) “personal interest” means an advantage, actual or potential, whether or not of a financial nature, granted to members of staff, including, but not limited to, an advantage granted to a member of their immediate family (parent, child, brother or sister), spouse or partner.

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021O2253>
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021O2256>

- g) “members of the statutory bodies” means members of the Executive Board and members of the BCL Council who are not BCL staff members.
- h) “members of the Executive Board” means the Director General and the two Directors.
- i) “Council” includes members of the Executive Board and Government-appointed members of the Council who are not members of the BCL Executive Board.
- j) “staff members”, includes members of the Executive Board and agents.
- k) “Eurosystem mission” means a mission entrusted to the Eurosystem by the Treaty and the Statute of the ESCB and of the ECB including, for the purposes of the Codes, the SSM.
- l) “insiders” include agents who have access to information likely to influence markets other than on an ad hoc basis while performing BCL, Eurosystem and SSM tasks, [as well as members of the BCL statutory bodies]. These functions are listed in the internal circular entitled *Special rules applicable to private financial transactions*.
- m) “holders of a function exposed to conflicts of interests” include agents who, by virtue of their position, have access to non-public information other than on an ad hoc basis, exposing them to conflicts of interests.

PART I – RULES APPLICABLE TO AGENTS

3. Compliance with the oath

Agents are required to perform their duties in the interests of the BCL and in compliance with the oath taken on their entry into office in accordance with Article 14(2) of the Organic Law of the BCL.

Agents shall inform their line manager, who shall inform the Executive Board, of any attempt by a third party to influence them in the performance of their duties.

4. BCL values

The BCL Values Charter⁵, prepared in collaboration with the agents and to which the latter are bound, declares the common values of independence and transparency, societal responsibility, quality and innovation, ethics, internal culture and excellence, thus creating a working environment conducive to the performance of BCL tasks.

5. Basic principles

Irrespective of their hierarchical level or status, agents shall demonstrate honesty, independence, impartiality and discernment, as well as respect and discretion, rejecting any form of inappropriate behaviour, discrimination or harassment, without regard to self-interest, thereby maintaining and promoting public trust in the BCL, the Eurosystem and the SSM.

They shall respect dignity at work. They shall show sensitivity and consideration towards other staff members.

They shall foster an environment conducive to good working relations, prevent conflict situations from arising and manage any such situations in accordance with the aforementioned principles.

Agents shall also respect these principles in their relationship with the outside world.

6. Professional secrecy, confidentiality and non-public information

In accordance with Article 37 of the ESCB statutes and Article 33 of the Organic Law of the BCL, agents may not disclose information acquired in the course of their duties. They shall comply with the professional secrecy requirements applicable to them.

They are prohibited from disclosing non-public information to third parties, unless they are authorised to do so by the Director General, and from improperly using non-public information. This prohibition on improper use of non-public information covers, at the very least, the use of non-public information: (a) for private transactions for one's account or for the account of third parties; and (b) in order to recommend or induce third parties to act on that non-public information.

They remain subject to these obligations after leaving the BCL, including after retirement and during any unpaid leave, without any time limit.

Agents who meet with third parties, and in particular representatives of the financial services industry, (a) shall remain neutral and maintain equal treatment in their relations with such third parties; (b) are not authorised to make comments that might influence expectations of future monetary policy decisions; (c) shall keep concise minutes of meetings; and (d) shall avoid any conduct that might be perceived as granting advantages to third parties, including advantages of a commercial or luxury nature.

⁵ BCL Values Charter https://www.bcl.lu/en/About/organisation/positionnement_officiel/index.html

Agents also comply with the BCL confidentiality rules, in particular the internal circular entitled *Gestion et confidentialité des documents*.

7. Representation

The Director General is the spokesperson for the BCL. In the event of his/her prolonged absence, each other member of the Executive Board shall represent the BCL in matters arising from the division of tasks resulting from the organisational chart and, in an emergency, in matters devolved to the Director General.

Agents may not speak to the media or on social networks on behalf of the BCL, unless they have received express authorisation from the Director General.

Agents are bound by an obligation of confidentiality when they use the media or social networks on a personal basis. They are required to be cautious and neutral, especially where mentioning their function might lead to a risk of the function being confused with the agent, which is particularly the case on professional networks, insofar as publications may be associated with the BCL.

Agents are required to comply with internal communications published on the BCL intranet site, in particular those relating to social networks and other applications on electronic devices provided to them by the BCL.

8. Special restrictions for private financial transactions

“Private financial transactions” means transactions such as those listed in the circular entitled *Special rules applicable to private financial transactions*.

8.1 Agents subject to the Single Code

Each year, agents subject to the Single Code shall send the ECB a Declaration of compliance for private financial transactions, as well as a Declaration of interests; the latter is published on the ECB website.

Agents subject to the Single Code are required to comply with the provisions of Article 16 of the Single Code entitled *Rules relating to private financial transactions*. They are subject to an annual control of their private financial transactions, in accordance with the terms and conditions set out by the BCL in its internal circular entitled *Special rules applicable to private financial transactions*, unless they certify that they have placed their assets under discretionary management, in accordance with the provisions of Article 16.2 of the Single Code.

8.2 Insiders

Private financial transactions carried out by agents who are insiders are subject to specific rules and are subject to regular controls, detailed in the internal circular entitled *Special rules applicable to private financial transactions*.

8.3 Other agents

Agents are prohibited from making undue use, directly or indirectly through third parties, of any market sensitive information that they have acquired, in order to gain any advantage whatsoever, whether for themselves or for a third party.

The prohibition on improper use of market sensitive information covers in particular:

- the use of market sensitive information, for private transactions on their own account or on behalf of third parties;

- the disclosure of market-sensitive information to third parties, unless such disclosure takes place during the performance of professional duties on behalf of the BCL and/or the Eurosystem and the SSM;
- the use of market sensitive information, with a view to recommending that third parties carry out financial transactions of a private or professional nature, or encouraging them to carry out such transactions.

Private financial transactions carried out by agents not considered to be insiders may be subject to controls if the BCL has a body of evidence showing that the agent in question has, or appears to have, improperly used market sensitive information, that they have obtained on an ad hoc basis.

In the event of a control and to facilitate its conduct, agents must be able to provide the Compliance function with the elements detailed in the internal circular entitled *Special rules applicable to private financial transactions*, within a set deadline and for a period determined by the latter (at most for the current and previous two calendar years). This control will be carried out under the conditions and according to the procedures set out in that circular.

The prohibition on the use of market sensitive information continues to apply as long as the information has not been made public.

9. Personal advantages

The acceptance of an advantage must not, in any case, influence the objectivity and the freedom of action of the staff member.

Agents may not use their position, influence, professional information that they hold, their status as a BCL staff member, the BCL sign or logo, or their administrative or functional title at the BCL, to obtain or solicit personal advantages of any kind, whether on their own account or for the benefit of third parties.

They are prohibited from soliciting, receiving or accepting a promise to give an advantage, for themselves or for any other person, that is in any way related to the performance of their official duties and responsibilities at the BCL.

These rules also apply to the agents' spouses or partners if the advantages also extend to them.

In particular, it is forbidden to accept advantages offered by financial institutions and by suppliers of the BCL (or part of public procurement procedures managed by the BCL), except for hospitality of negligible value or considered customary, offered during business meetings.

Agents shall declare the following to the Compliance function:

- advantages received whose value cannot be clearly established to be negligible;
- advantages received whose value exceeds the negligible amount, if refusal runs contrary to the customs of the donor's country and could put the professional relationship at risk.

Advantages exceeding a negligible amount shall be handed over to the BCL, which shall acquire ownership thereof, unless the beneficiary wishes to keep them. In this case, they shall pay the BCL the amount by which the threshold has been exceeded.

These provisions do not apply to advantages offered by central banks, competent national authorities, institutions, bodies or agencies of the European Union, international organisations and public bodies, as well as universities, or to advantages of a customary or negligible amount offered by the private sector, provided that, in the case of the latter, these advantages are not gained on a regular basis and do not come from the same source.

The advantages received must neither compromise nor be likely to be perceived as compromising the independence and impartiality of the agents.

10. Conflicts of interests

During their employment at the BCL, agents shall avoid any situation that might give rise to a conflict of interests. They shall analyse situations in which their personal interest would be likely to affect, appear to affect or is already affecting their professional objectivity and impartiality. They are required to report such situations to their line manager and to the Compliance function.

Any agent identifying a potential, apparent or actual conflict of interests concerning another agent shall report it to the agent in question.

Conflicts of interests are managed in accordance with Article 15 of the Law of 16 April 1979 applicable, where appropriate, by analogy to the BCL, and the internal circular entitled *BCL Policy on the Management of Conflicts of Interests*.

The Compliance function records and monitors the alleged conflict of interests.

11. Negotiation of contracts on goods or services

Agents shall ensure the smooth running of procurement procedures, preserving legality, objectivity, neutrality and fairness and guaranteeing the transparency of their actions. Agents shall only communicate with participants in a procurement process through official channels and avoid providing information verbally.

Agents called upon to intervene, in any capacity whatsoever, in a tender or procedure for the purchase of goods or services within the BCL, are required to carry out an analysis of their personal situation, in collaboration with the head of the Procurement function and the Compliance function, where applicable, with regard to a potential, apparent or actual conflict of interests with the tenderers or candidates.

Where the agents have entered into personal transactions with companies with which they have a relationship as a result of their function, or where the agents have a personal relationship with one of the tenderers or candidates, their withdrawal from the file may be required, in accordance with the relevant internal rules, in particular the internal circular entitled *BCL Policy on the Management of Conflicts of Interests* and the internal circular entitled *Politique de la BCL en matière d'achats*. In this case, the opinion of the Compliance function will be required.

12. Use of BCL resources

Agents are under the obligation to respect and protect assets that are the property of the BCL. These assets include in particular all software and tools made available or developed by the BCL, as well as the memos and analyses produced by the agents. All services and equipment provided by the BCL, whatever their nature, are intended for professional use, unless private use is authorised or tolerated according to the internal rules.

Use of the BCL email system other than for professional purposes is tolerated, insofar as, in particular, it is not abusive and does not harm the image of the BCL, in accordance with the rules established by the internal circular entitled *Conditions d'utilisation des messageries électroniques*.

Staff members are required, during their working time, to perform the tasks arising from their employment contract. The technical infrastructure used for BCL financial operations, including the transaction telephones, all systems providing access to financial information services (such as Bloomberg, Reuters, etc.), as well as all subsequent replacement systems, is exclusively reserved for professional use on behalf of the BCL.

Agents must not require their colleagues to carry out tasks of a private nature, whether on their own account or for the account of third parties.

13. External activities⁶

Agents shall devote their professional activity to the service of the BCL.

They shall comply with the provisions of the law and the internal circular entitled *Règles s'appliquant aux demandes d'activité externe des agents* for any request for external activity, even in the event of leave, regardless of its nature.

Without prejudice to the foregoing paragraphs, agents shall, in their private and unpaid activities in cultural, scientific, educational, sporting, charitable, religious or social fields, or any other voluntary or associative work outside working hours, ensure that conflicts of interests are avoided and that the independence and reputation of the BCL are not compromised.

14. Processing of personal data

The BCL attaches great importance to the protection of personal data (hereinafter “data”) that it collects and processes.

As an employer, BCL is required to collect and process certain data pertaining to its agents, which it must do in accordance with the General Data Protection Regulation 2016/279 (GDPR). Thus, any personal data processing must be the subject of a “*Data Protection Impact Assessment*”, in accordance with the internal rules, and then submitted to the BCL Data Protection Officer for a prior opinion.

Agents may only access, view, transfer or store data in accordance with the principles of the GDPR and the relevant internal rules, in particular the internal circular entitled *Politique de la BCL en matière de protection des données à caractère personnel*.

As data subjects, all agents have certain rights:

- The right to be informed that their data is being processed, by whom and why;
- The right to access their data;
- The right to rectify inaccurate data;
- The right to be forgotten, unless there is a legitimate reason justifying the retention of data;
- The right to portability of their data;
- The right to object to processing that is necessary for BCL to pursue its legitimate interests, or for the performance of a task carried out in the public interest, for reasons relating to their particular situation;
- The right to restrict the processing of their data;
- The right to challenge a decision taken on an automated basis.

In order to best handle any request concerning their rights, agents may contact the BCL Data Protection Officer, either by email at dpo@bcl.lu or by post at the following address:

Banque Centrale du Luxembourg

Attn: Data Protection Officer

2, Boulevard Royal

L-2983 Luxembourg

If the agents consider that the BCL has not been able to enforce their rights, they may lodge a complaint either with the *Commission nationale pour la protection des données* (www.cnpd.lu) for Luxembourg residents or with the supervisory authority of the country of residence for non-resident Luxembourg agents.

⁶ This provision does not apply to students and trainees (apart from trainee civil servants and trainee State employees).

15. Extension of duties

15.1 Agents subject to the *Single Code*

Agents subject to the *Single Code* shall comply with the provisions of Article 17 of the *Single Code* entitled *Post-employment rules*.

15.2 Agents with a function exposed to conflicts of interest

In the event of departure from the BCL, agents holding positions at risk of conflicts of interests shall comply with the provisions of the internal circular entitled *BCL Policy on the Management of Conflicts of Interests*.

15.3 Insiders

Agents who are insiders remain subject to the provisions of Article 8 and those of the internal circular entitled *Special rules applicable to private financial transactions*:

- 1) after their employment and/or function at the BCL has ended, for a period of three months following the end of their employment and/or function; or
- 2) throughout the period of leave, regardless of the duration and nature thereof, insofar as the person retains their professional access to the BCL (physical and/or IT); or
- 3) for a period of three months following the start of leave, if the person no longer has their professional access to the BCL (physical and/or IT).

15.4 Other agents

Agents shall remain subject to professional secrecy after the termination of their duties at the BCL and throughout the duration of leave, regardless of the nature and duration thereof.

Agents shall behave with integrity and discretion, both when seeking new employment and after accepting a new position with a new employer, particularly if that position is with an entity falling within the scope of responsibilities of the BCL or a supplier thereof. Agents shall notify the Executive Board at the time of signing a contract with their new employer, so that any actual, potential or apparent conflict of interest can be managed. They shall assess and prevent potential conflicts of interests arising or likely to arise from a possible professional activity subsequent to their employment at the BCL, in accordance with the internal circular entitled *BCL Policy on the Management of Conflicts of Interests*. They shall act in such a way as to avoid any form of conflict of interests between their intended duties with the new employer and their position within the BCL.

16. Application and interpretation of the Staff Code

Agents are required to comply with the rules set out in this staff Code.

Line managers shall take the necessary organisational measures to ensure compliance with the rules of conduct within their entity(ies). They shall demonstrate vigilance and behave in an exemplary manner as regards compliance with the principles and rules set out in this staff Code.

The application of the staff Code vis-à-vis agents benefits from the intervention of the Compliance function, appointed by the Executive Board, and which benefits from a direct reporting line to its Director in charge and to the Director General. Its mission is to assist the agents with the implementation and interpretation of the staff Code, in accordance with the procedures provided for in the internal circular entitled *La fonction Compliance à la BCL*. Agents may in particular seek its opinion on the behaviour to adopt in a particular situation, especially regarding the prevention or management

of conflicts of interests or the award of an advantage of more than negligible value, and shall inform the function if they become aware or have a legitimate suspicion of non-compliance with the provisions of the staff Code.

The Agents may contact the member of the Executive Board in charge of the Compliance function for any opinion issued by the Compliance function concerning interpretation of the staff Code. The Executive Board may request the opinion of the BCL Council Ethics Committee.

17. Commission on Investigation of Reported Harassment ⁷

The purpose of the Commission on Investigation of Reported Harassment is to hear reports of harassment.

Its composition, its operation, the scope of its mandate and remuneration are set out in the internal circular entitled *Processing of harassment reports within the BCL*.

18. Reporting of cases of non-compliance with internal rules and disciplinary sanctions

Agents who have in good faith made an internal report of non-compliance or legitimate suspicion of non-compliance with internal rules shall not be subject to unfair or discriminatory treatment, intimidation, retaliation or victimisation as a result.

The Executive Board guarantees this protection.

Agents who have made abusive reports or violated the provisions of the staff Code may be subject to disciplinary sanctions in accordance with the provisions in force.

19. Reporting to the Governing Council of the ECB

The Executive Board shall promptly report any major cases of non-compliance with its Code(s) to the Governing Council via the ECB Organisational Development Committee and Executive Board; it shall simultaneously inform the ECB Audit Committee and the ECB Ethics & Compliance Committee. In this case, the BCL shall also inform the person concerned.

⁷ Article applicable from the entry into force of internal circular 22443 *Traitement des signalements de harcèlement au sein de la BCL*.

PART II – RULES APPLICABLE TO MEMBERS OF THE EXECUTIVE BOARD⁸

20. Compliance with the oath

Members of the Executive Board are required to perform their duties in the interests of the BCL and in compliance with the oath taken before entering into office, in accordance with the organic law of the BCL.

21. BCL values

The BCL Values Charter⁹, prepared in collaboration with staff members and to which members of the Executive Board are bound, declares the common values of independence and transparency, societal responsibility, quality and innovation, ethics, internal culture and excellence, thus creating a working environment conducive to the performance of BCL tasks.

22. Basic principles

Executive Board members shall demonstrate honesty, independence, impartiality and discernment, as well as respect and discretion, refusing any form of inappropriate behaviour or harassment, without regard to self-interest, thereby maintaining and promoting public confidence in the BCL, the Eurosystem and the SSM.

They shall respect dignity at work. They shall show sensitivity and consideration among themselves and towards agents. They shall behave fairly with other staff members and contribute to good cooperation within the BCL.

They shall foster an environment conducive to good working relations, prevent conflict situations from arising and manage any such situations in accordance with the aforementioned principles.

Executive Board members shall also respect these principles in their relationship with the outside world.

23. Professional secrecy, confidentiality and non-public information

In accordance with Article 37 of the ESCB statutes and Article 33 of the Organic Law, Executive Board members may not disclose information acquired in the course of their duties. They shall comply with the professional secrecy requirements applicable to them.

Executive Board members shall also comply with the internal rules on confidentiality, in particular the internal circular entitled *Gestion et confidentialité des documents*.

They are prohibited from disclosing non-public information to third parties, unless authorised to do so, and from improperly using non-public information. This prohibition covers, at the very least, the use of non-public information: (a) for private transactions for one's account or for the account of third parties; and (b) in order to recommend or induce third parties to act on the basis of that such non-public information.

Executive Board members who meet with third parties, and in particular representatives of the financial services industry, (a) maintain neutrality and equal treatment in their relations with those third parties; (b) are not authorised to make comments that might influence expectations of future monetary policy

⁸ The members of the Executive Board are also subject to the Code of Conduct applicable to members of the BCL Council.

⁹ BCL Values Charter https://www.bcl.lu/en/About/organisation/positionnement_officiel/index.html

decisions; (c) keep basic records of meetings; and (d) avoid any conduct that could be perceived as granting external parties any advantages to third parties, including advantages of a commercial or prestige nature.

They remain subject to these obligations after the termination of their duties at the BCL, without any time limit.

24. Representation

The Director General is the spokesperson for the BCL. In the event of his/her prolonged absence, each other member of the Executive Board shall represent the BCL in matters arising from the division of tasks resulting from the organisational chart and, in an emergency, in matters devolved to the Director General. The Executive Board shall ensure the institutional cohesion of the BCL in its representation to the outside world.

Members of the Executive Board are bound by an obligation of confidentiality when they use the media or social networks in a personal capacity. They are required to be cautious and neutral, especially where mentioning their function might lead to a risk of the function being confused with the Executive Board member, which is particularly the case on professional networks, insofar as publications may be associated with the BCL.

Executive Board members are required to comply with internal communications, published on the BCL intranet site, in particular those relating to social networks and other applications on electronic devices provided to them by the BCL.

25. Special restrictions for private financial transactions

Executive Board members are invited to place any of their financial investments likely to be subject to discretionary management under the control of one or more recognised independent portfolio managers with full management discretion, within the framework of a written portfolio management mandate. This recommendation does not apply to current accounts, deposit accounts and savings accounts.

Private financial transactions of members of the Executive Board are subject to annual controls. The controls are carried out under the conditions and in accordance with the procedures set out in the internal circular entitled *Special rules applicable to private financial transactions*.

During the controls and in order to facilitate their conduct, Executive Board members must be able to provide the elements detailed in the internal circular entitled *Special rules applicable to private financial transactions*, within a set deadline and for a determined period (at most for the current and previous two calendar years).

25.1 Executive Board members subject to the Single Code

Each year, Executive Board members subject to the Single Code send to the ECB a Declaration of compliance for private financial transactions, as well as a Declaration of interests. The Declaration of interests of the member of the Governing Council is published on the ECB website.

Executive Board members subject to the Single Code who certify that they have placed their assets under discretionary management, in accordance with the provisions of 16.2 of the Single Code are not subject to controls¹⁰.

Executive Board members subject to the Single Code who have not placed their assets under

¹⁰ The Director General's investments are made under the control of a portfolio manager with a discretionary management mandate, in accordance with the *Single Code*.

discretionary management are subject to an annual control of their private financial transactions , on the basis of the rules set out in Article 16 of the Single Code and in accordance with the procedures set out by the BCL in its internal circular entitled *Special rules applicable to private financial transactions*.

25.2 Other members of the Executive Board

Other members of the Executive Board are considered as insiders. They shall comply with the provisions of the internal circular entitled *Special rules applicable to private financial transactions*.

They are prohibited from making undue use, directly or indirectly through third parties, of any market-sensitive information that they have acquired, in order to gain any advantage whatsoever, whether for themselves or for a third party.

The prohibition on improper use of information likely to influence the markets covers in particular:

- the use of market-sensitive information, for private transactions on their own account or on behalf of third parties;
- the disclosure of market-sensitive information to third parties, unless such disclosure takes place during the performance of professional duties on behalf of the BCL;
- the use of market-sensitive information, with a view to recommending that third parties carry out financial transactions of a private or professional nature, or encouraging them to carry out such transactions.

The prohibition on the use of information likely to influence the markets continues to apply as long as the information has not been made public.

26. Personal advantages

The acceptance of an advantage must not, in any case, influence the objectivity and the freedom of action of the member of the Executive Board.

Members of the Executive Board may not use their position, their influence, the professional information they hold, their status as members of the Executive Board of the BCL, the BCL sign or logo, or their administrative or functional title at the BCL, to obtain or solicit personal advantages of any kind, whether on their own account or on behalf of third parties.

They are prohibited from soliciting, receiving or granting a promise to give an advantage, for themselves or for any other person, that is in any way related to the performance of their official duties and responsibilities at the BCL.

These rules also apply to their spouses or partners, if the advantages also extend to them.

In particular, it is forbidden to accept advantages offered by financial institutions and by suppliers of the BCL (or part of public procurement tenders managed by the BCL), except for hospitality of negligible value or considered customary, offered during business meetings.

Members of the Executive Board shall declare the following to the Compliance function:

- advantages received whose value cannot be clearly established to be negligible;
- advantages received whose value exceeds the negligible amount, if refusal would run contrary to the customs of the donor's country and could put the professional relationship at risk.

Advantages exceeding a negligible amount or which cannot be refused shall be handed over to the BCL, which shall acquire ownership thereof, unless the beneficiary wishes to keep them. In this case, they shall pay the BCL the amount by which the threshold has been exceeded.

These provisions do not apply to advantages offered by central banks, competent national authorities, institutions, bodies or agencies of the European Union, international organisations and public bodies, as well as universities, or to advantages of a customary or negligible amount offered by the private sector, provided that, in the case of the latter, these advantages are not gained on a regular basis and

do not come from the same source.

The advantages received must neither compromise nor be able to be perceived as compromising the independence and impartiality of the members of the Executive Board.

27. Conflicts of interests

Executive Board members are obliged to conduct themselves in an honest and reasonable manner with regard to the acceptance of certain mandates, duties, or assignments that could lead to a conflict of interests with regard to information that they acquire in the course of their duties at the BCL.

During their term of office, Executive Board members shall avoid any situation that might give rise to a conflict of interests.

Any Executive Board member identifying a potential, apparent or actual conflict of interests for themselves shall report it to the other members of Executive Board.

Any Executive Board member identifying a potential, apparent or actual conflict of interests concerning another member of Executive Board shall report it to the latter.

The actual, potential or apparent conflict of interests shall be noted in the minutes of the meeting of the Executive Board Committee.

28. Negotiation of contracts on goods or services

Members of the Executive Board shall ensure that public and other procurement procedures are in place and ensure that competition, legality, objectivity, neutrality, fairness and transparency are preserved.

They ratify duly reasoned proposals for decisions submitted by the competent Units of the BCL, unless duly stated otherwise by the Compliance function.

Members of the Executive Board who conclude contracts with companies engaged by BCL shall ensure that they meet market conditions.

Members of the Executive Board shall declare any direct or indirect pecuniary interest that they might have in entities participating in the tenders organised by the BCL, and refrain from participating in the decisions of the Executive Board Committee in the event of a direct or indirect pecuniary interest.

29. Use of BCL resources

Members of the Executive Board are under the obligation to respect and protect assets that are the property of the BCL. These assets notably include all software and tools made available or developed by the BCL, as well as the memos and analyses produced by them or by the agents. All services and equipment provided by the BCL, whatever their nature, are intended for professional use, unless private use is authorised or tolerated according to the internal rules.

Use of the BCL email system other than for professional purposes is tolerated, insofar as, in particular, it is not abusive and does not harm the image of the BCL, in accordance with the rules established by the internal circular entitled *Gestion et confidentialité des documents*.

The technical infrastructure used for BCL financial operations, including the transaction telephones, all systems providing access to financial information services (such as Bloomberg, Reuters, etc.), as well as all subsequent replacement systems, is exclusively reserved for professional use on behalf of the BCL.

Members of the Executive Board must not require agents to carry out tasks of a private nature, whether on their own account or on behalf of third parties.

30. External activities

Members of the Executive Board shall devote their professional activity to the service of the BCL. They shall ensure that other professional relations, direct or indirect, do not in any way affect the conduct of their activities on behalf of the BCL, pursuant to Article 14 of the Law of 16 April 1979 applicable, where applicable, by analogy to the BCL.

Members of the Executive Board shall immediately report any substantial change occurring in the exercise of their other mandates and functions to the BCL Council Ethics Committee.

31. Processing of personal data

BCL attaches great importance to the protection of personal data (hereinafter “data”) that it collects and processes.

As an employer, BCL is required to collect and process certain data pertaining to its staff members, which it must do in accordance with the General Data Protection Regulation 2016/279 (GDPR). Thus, any personal data processing must be the subject of a Data Protection Impact Assessment, in accordance with the internal rules, and then submitted to the BCL Data Protection Officer for a prior opinion.

Members of the Executive Board and the Executive Board Secretariat may only access, consult, transfer or store data in accordance with the principles of the GDPR and the relevant internal rules.

As a data subject, each member of the Executive Board has certain rights:

- The right to be informed that their data is being processed, by whom and why;
- The right to access their data;
- The right to rectify inaccurate data;
- The right to be forgotten, unless there is a legitimate reason justifying the retention of data;
- The right to portability of their data;
- The right to object to processing that is necessary for BCL to pursue its legitimate interests, or for the performance of a task carried out in the public interest, for reasons relating to their particular situation;
- The right to restrict the processing of their data;
- The right to challenge a decision taken on an automated basis.

In order to best handle any request concerning their rights, members of the Executive Board may contact the BCL Data Protection Officer, either by email at dpo@bcl.lu or by post at the following address:

Banque Centrale du Luxembourg

Attn: Data Protection Officer

2, Boulevard Royal

L-2983 Luxembourg

If members of the Executive Board feel that the BCL has not been able to enforce their rights, they may lodge a complaint with the *Commission Nationale pour la Protection des Données* (www.cnpd.lu).

32. Extension of duties

32.1 Executive Board members subject to the *Single Code*

Executive Board members subject to the Single Code shall comply with the provisions of Article 17 of the Single Code entitled *Post-employment rules*.

32.2 Other members of the Executive Board

During the first six months following the end of their mandate as Director, members of the Executive Board are required to avoid any conflict of interests that might arise in connection with any new private or professional activity.

Members of the Executive Board¹¹ shall inform the BCL Council Ethics Committee in writing of any intention they might have to engage in remunerated professional activity during a six-month period following the end of their function as members of the Executive Board, in order to seek its opinion.

33. Reporting of cases of non-compliance with internal rules and disciplinary sanctions

The Executive Board guarantees the protection of agents who have internally reported, in good faith, a case of non-compliance or of suspicion of non-compliance with the provisions of the internal rules. This protection ensures that they will not be subject to unfair or discriminatory treatment, intimidation, retaliation or victimisation as a result of legitimate internal reporting of non-compliance or suspicion of non-compliance with the provisions of the Codes, or with specific BCL rules of which they are aware.

Members of the Executive Board who have breached the provisions of the staff Code may be subject to disciplinary sanctions in accordance with the provisions in force.

34. Reporting to the Governing Council of the ECB

The Executive Board shall promptly report any major cases of non-compliance with its internal rules to the Governing Council via the ECB Organisational Development Committee and the ECB Executive Board; it shall simultaneously inform the ECB Audit Committee and the ECB Ethics & Compliance Committee. In this case, the BCL will also inform the person(s) concerned.

¹¹ The provisions of the Single Code apply to the Director General and his/her alternate for activities subsequent to their duties at the BCL.

PART III – COMMON PROVISIONS

35. Adoption and amendment of the staff Code

This staff Code was adopted by the Council on 14 July 2023, on the proposal of the Executive Board, the A-BCL a.s.b.l. (non-profit) and the BCL Staff Delegation – Agents under private contracts being heard in their opinions. Any amendment to the staff Code shall be made according to the same procedure.

This staff Code, published in the form of an internal circular, is supplemented in particular by the following internal circulars adopted or amended by the Executive Board:

- CI 17316 “*Special rules applicable to private financial transactions*”;
- CI 04111 “*Gestion et confidentialité des documents*”;
- CI 07145 “*La fonction Compliance à la BCL*”;
- CI 23446 “*BCL Policy on the Management of Conflicts of Interests*”;
- CI 07159 “*Politique de la BCL en matière de protection des données à caractère personnel*”;
- CI 22433 “*Processing of harassment reports within the BCL*”;
- CI 02065 “*Conditions d’utilisation des messageries électroniques*”.

This staff Code is published on the BCL website, as is the internal circular entitled *Special rules applicable to private financial transactions*. The other internal circulars mentioned are made available to persons subject to this staff Code.