



CONFLICT OF INTEREST POLICY

**THE GIBRALTAR ASSOCIATION OF COMPLIANCE
OFFICERS**

Version	Date	Author	Reason	Sections
1.0	01 January 2019	GACO Executive Committee	Establishment of the Conflict of Interest Policy	<All>

THE GIBRALTAR ASSOCIATION OF COMPLIANCE OFFICERS CONFLICT OF INTEREST POLICY

1. Purpose of Policy

This conflict of interest policy (the Policy) is designed to help Executive Members of The Gibraltar Association of Compliance Officers (“GACO”) identify situations that present potential conflicts of interest and to provide GACO with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though an Executive Member has or may have a conflict of interest with respect to the transaction.

In the event there is an inconsistency between the requirements and procedures prescribed herein and those in Gibraltar law, Gibraltar law shall prevail. All capitalised terms are defined further below in this policy.

All Executive Members of GACO will strive to avoid any conflict of interest between the interests of GACO on the one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest (Potential Conflicts of Interest).

The additional purpose of this Policy is to protect the integrity of GACO’s decision making process, to enable stakeholders to have confidence in the integrity of GACO, and to protect the integrity and reputation of its Executive Committee Members.

2. Conflicts of Interest Defined

A conflict of interest is, in general terms, any situation in which an Executive Member’s personal interests, or interests which they owe to another body or themselves and those of the Association arise simultaneously or appear to clash. The issue is not the integrity of the person concerned, but the management of any potential to profit from a person’s position within GACO, or for a person to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage GACO’s reputation, so conflicts need to be managed carefully.

2.1 Types of Conflicts of Interest

The following types of interest may give rise to a conflict:

- Financial Benefits or Interests (direct & indirect)
- Non-Financial Benefits or Interests
- Conflicts of Loyalties

2.1.1 Financial Benefits or Interests

2.1.1.1 Direct

Financial benefits or Interests include, for example, employment of the Executive Member as employee, consultant or advisor, or the situation where a company of which the Executive Member is a director or a shareholder, may be considered for a contract by the Association. Conflicts of interest in such cases are particularly serious and any financial benefit requires authorisation by majority vote of the Executive Committee.

2.1.1.2 Indirect

Financial interests may arise where such potential financial benefits accrue to a close member of the Executive Member's family, or even a friend, business partner or colleague.

2.1.2 Non-financial Benefits or Interests

These would include a situation where an Executive Member directly or indirectly benefits from GACO's services. An example relevant to GACO might be where it is proposed for an Executive Member's business to sponsor a GACO event: The Executive Member's business would potentially derive a non-financial benefit from the sponsorship (in the nature of public relations exposure) and a conflict of interest would therefore arise between the Trustee's business interests and his/her role as an Executive Member. Such a conflict would need to be identified and managed in accordance with the procedures described in this policy.

2.1.3 Conflicts of Loyalties

This is when another appointment or employment or association (of the Executive Member or of a relative or friend) might potentially influence the decisions of the Executive Member in directions which may not be in the best interest of GACO. It is expected that roles in other Associations, particularly as Executive Member, should be declared. Any association or relationship with a body, organisation or association which is or might become an applicant for services or funds from GACO must be declared.

2.2 Circumstances that might create Conflicts of Interest

For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

- a. Outside Interests.
 - i. An Agreement or Transaction between GACO and a Member of the Executive or Family Member.
 - ii. An Agreement or Transaction between GACO and an entity in which an Executive Member or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.
- b. Outside Activities.
 - i. A Member of the Executive competing with GACO in the rendering of services or in any other Agreement or Transaction with a third party.
 - ii. A Member of the Executive having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to; an entity or individual that competes with GACO in the provision of services or in any other Agreement or Transaction with a third party.

c. Gifts, Gratuities and Entertainment.

A Member of the Executive accepting gifts, entertainment, or other favours from any individual or entity that:

- i. does or is seeking to do business with, or is a competitor of GACO; or
- ii. has received, is receiving, or is seeking to receive or to secure other financial or non-financial commitments from GACO;
- iii. is a charitable organisation;
- iv. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Member of the Executive in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of GACO.

Ultimately, it is not possible to define all the circumstances which may lead to a potential conflict of interest. It is the responsibility of each individual Executive Member to declare any matters which he or she feels may present actual or potential conflicts. If in doubt, it is better to make a declaration.

3. Definitions

- a. A "Conflict of Interest" is any circumstance described in Point 2 of this Policy.
- b. A "Member of the Executive" is any person serving as a member of the board of GACO.
- c. A "Family Member" is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Member of the Executive.
- d. A "Material Financial Interest" in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Member of the Executive's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation. (The board may wish to establish an amount that it would consider to be a "material financial interest.")
- e. An "Agreement or Transaction" is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind or the establishment of any other type of pecuniary relationship by GACO. The making of a gift to GACO is not an Agreement or Transaction within the meaning of this document.

4. Disclosure

Upon appointment each Member of the GACO Executive Committee will make a full, written disclosure of interests (please see Appendix 1), such as relationships, and posts held, that could potentially result in a conflict of interest. This written disclosure will be kept on file and will be updated annually or as appropriate.

5. Procedures

In the course of meetings or activities, Executive Committee Members will disclose any interests in a transaction or decision where there may be a conflict between the organisations' best

interests and the Executive Member's best interests or a conflict between the best interests of two organisations that the Executive Member is involved with. If in doubt, the potential conflict must be declared anyway and clarification sought.

GACO will apply the following procedure when handling conflicts of interest:

- a. Before the Executive Committee or a Sub-Committee take action and authorise an Agreement or Transaction involving a Conflict of Interest, the Executive Committee Member or the Sub-Committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. An Executive Committee Member or a Sub-Committee member who plans not to attend a meeting at which he or she has reason to believe that the Executive Committee or the Sub-Committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the Executive's Committee or Sub-Committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to an Agreement or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Agreement or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Executive Committee or of a Sub-Committee of GACO has a Conflict of Interest when he or she stands for election as an Executive Member or for re-election as a member of Executive Committee.
- e. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.
- f. The Executive Committee's permission needs to be sought before a benefit for an Executive Committee Member maybe authorised and shall be obtained in written.

6. Confidentiality

Each Member of the Executive shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of GACO. Furthermore, a Member of the Executive shall not disclose or use information relating to the business of GACO for the personal profit or advantage of the Member of the Executive or a Family Member or the Member of the Executive's Member company.

7. Review of Policy

- a. Each new Member of the Executive shall be required to review a copy of this Policy and to acknowledge in writing that he or she has done so.
- b. Each Member of the Executive shall annually complete a disclosure form identifying any relationships, positions, or circumstances in which the Member of the Executive is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions, or circumstances might include service as a director of or consultant to a not-for-profit organisation, or ownership of a business that might provide goods or services to GACO. Each Member of the Executive should also disclose to the board of directors any potential Conflict of Interest that may arise during the course of the year between the submission of annual disclosure forms. Any such information regarding business interests of a Member of the Executive or a Family Member shall be treated as confidential and shall generally be made available only to the Chairman or the Deputy-Chairman, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
- c. This policy shall be reviewed annually by each member of the Executive Committee. Any changes to the policy shall be communicated immediately to all Members of the Executive.

This policy is meant to supplement good judgment, and GACO Executive Committee Members should respect its spirit as well as its wording.

Dated this 1st day of January of 2019.

Appendix 1: Declaration of Relevant Interests Form

I, as GACO Executive Committee Member, have set out below my relevant interests that could be considered an actual or potential conflict of interest in accordance with GACO's Conflicts of Interest Policy.

Category	Please give details of the relevant interest and whether it applies to yourself or, where appropriate, a member of your immediate family or some other close personal connection
Current employment and any previous employment in which you continue to have a financial interest.	
Appointments (voluntary or otherwise) e.g., trusteeships, directorships etc.	
Membership of any professional bodies, special interest groups or mutual support organisations.	
Investments in unlisted companies, partnerships and other forms of business, major shareholdings of more than 1% of issued capital and beneficial interests.	
Gifts or hospitality offered to you by external bodies and whether this was declined or accepted in the last twelve months.	
Any contractual relationship with GACO.	
Any other conflicts that are not covered by the above.	

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the Conflicts of Interest Policy.

Signed:

Position:

Date: