CENTRAL BANK OF BARBADOS

POLICY ON RECEIPT OF GIFTS AND BUSINESS HOSPITALITY

Interpretation

In this Policy "Act" means the *Central Bank of Barbados Act, 2020-30* of the Laws of Barbados;

"Bank" means the Central Bank of Barbados;

"Bank representatives" means the Directors, officers and employees of the Central Bank of Barbados;

"business hospitality" includes meals, receptions and tickets to social, entertainment or sporting or other social events whether or not the person who extended the hospitality or his representative is present;

"excessive offers" include offers of business hospitality that are time-consuming, overly frequent (or part of a pattern of invitations from a particular organisation or individual that, taken together, appears inappropriate); or disproportionately lavish;

"gift" includes money, vouchers, services, favours or the withholding of any sanctions and such gifts refer to both tangible items and reciprocal service from vendors, suppliers, customers and any individual or organisation with whom the Bank representative interacts during the course of undertaking his/her job functions or service to the Bank.

Introduction

1. The Bank recognises the importance of ensuring of discharging its statutory duties with integrity and high ethical standards. These standards must not only be strictly applied but must be apparent in all of the Bank's dealings with members of the public. It must, therefore, apply and be seen to apply conduct to its dealings that it is of the highest standard of probity in order to maintain objectivity and commercial impartiality and protect against any suggestion of impropriety.

2. Depending on the context, the acceptance of gifts by a Bank representative from the public has the potential to damage the reputation of the Bank and the Bank representative concerned. For this reason, the Bank discourages a Bank representative from receiving gifts in certain circumstance and has placed strict limits on the type of gift and its value that can be accepted.

3. This Policy on Receipt of Business Hospitality and Gifts is consistent with relevant best practices, and ethical standards, and is in keeping with the Bank's overall corporate governance framework and the tenets of integrity legislation in the region and globally.

4. The provisions of this Policy are intended to provide guidance on the standards which apply to the receipt of gifts and hospitality. It should be read in conjunction with the Act, other elements of the Bank's Governance Codes and any other Bank policies that may be relevant in particular situations.

Legislation

5. The *Prevention of Corruption Act*[1] applies to the Bank. Offences under this legislation include the corrupt solicitation or receipt or an agreement to receive, any gift, loan, fee, reward or advantage whatsoever as an inducement to, or reward for or otherwise on account of any member, officer or servant of the Crown or of a public body doing or forbearing to do anything in respect of any matter or transaction whatsoever, actual or proposed, in which the Crown or such public body is concerned.

6. In addition to the foregoing, section 27 (4) of the Act provides that"no director nor any other officer or employee of the Bank shall accept any gift or advantage for himself or on his behalf for persons with whom he may have any family, business or financial connections if the acceptance thereof would result or give the appearance of resulting in a diminution of his impartial devotion to his duties under the Act.

Scope

7. The rules set out below are applicable to all Bank representatives.

8. Compliance with the procedures for reporting and recording the receipt of business hospitality and gifts is subject to audit and the Director of Internal Audit shall review consistency of practice across the Bank in accordance with guidelines established under this Policy. Breaches of these provisions of this policy could result in action being taken under the Bank's disciplinary procedures.

9. The receipt of gifts or business hospitality by the Governor and Deputy Governors is subject to review and audit by the Bank Secretary who shall be their reporting point of reference.

[1] CAPP 144 of the Laws of Barbados

The General Prohibition

10. A Bank representative must not accept any hospitality, gift, fee or consideration of any kind for service he or she has rendered in the official capacity as a member of the Bank's personnel that is not in compliance with this policy.

11. In the absence of a specific provision permitting the acceptance thereof, the gift and/or business hospitality must not be accepted.

12. This Policy must be shared with external stakeholders via the Bank's website. This notwithstanding, a Director, officer or employee of the Bank is required to inform vendors, suppliers or customers of the Bank of this Policy; to decline any gift or business hospitality that may be offered and further, to return any gift that may be delivered to the Bank's premises unless such gift is authorised as detailed under authorised exemptions to the Policy.

13. In a case of doubt, a Bank representative who is offered gifts or business hospitality should immediately consult with the Head of their Department.

    13.1 The Governor or a Deputy Governor should consult the Bank Secretary and other Directors shall consult the Governor or the Bank Secretary as the context requires, to ensure compliance with this policy.

Permissible Hospitality and Gifts

Gifts

14. In order for a gift to be accepted all of the below conditions must be met:

    14.1. the cost must not exceed one hundred dollars Barbados currency ($100.00) in value. In addition, in the unusual situation where gifts have been given by one source in any twelve-month period, the total value received directly or indirectly must not exceed three hundred dollars Barbados currency ($300.00) in value.

    14.2 the gift must not be in the form of cash or a cash equivalent (such as a voucher).

    14.3 the entity offering the gift must not be regulated by the Bank or under consideration as part of a Bank procurement process or any other process whatsoever;

14.4 the gift must be recorded in accordance with the terms of this policy.

15. The following gifts are exempt from the application of this Policy:-

    15.1. thank you cards, notes and other written forms of appreciation;

    15.2. low-cost promotional items such as calendars, pens/pencils, cups, t-shirts, trade show bags and all other tokens that Bank personnel obtain, as members of the public, at events such as conferences, training events, seminars, and trade shows, that are offered equally and impartially to all members of the general public who are also in attendance at the event;

    15.3. flowers, plants, chocolates and gourmet or fruit baskets that may be offered during holidays or at other times of the year when gift-giving is traditional up to a value of one hundred dollars Barbados currency ($100.00).

Business Hospitality

16. Invitations to attend business hospitality events may be accepted or made where they are necessary to develop and maintain outside contacts relevant to work responsibilities. They should be restricted to working events or educational, knowledge building or networking fora and that relate to an area of expertise relevant to the Bank. Except with the permission of the Governor first sought and obtained, no other forms of business hospitality (e.g. invitations to sporting or cultural events) except those hosted by government owned bodies or companies or officially sponsored by the Bank may be accepted.

17. In any event, a Bank representative should decline any offer of business hospitality that might be seen as excessive, placing the recipient under an obligation, designed to influence a procurement decision, in doubtful taste or liable to bring the Bank's reputation into disrepute.

18. A Director, an officer or employee of the Bank must decline invitations from financial institutions regulated by the Bank or from professional advisers of the Bank without the prior agreement of the Governor or the Bank Secretary.

19. Business contacts may also be personal friends. This notwithstanding, for the purposes of this policy any business hospitality offered by friends and accepted in an official rather than a personal capacity, should be seen as institutional and reported accordingly.

20. In relation to the acceptance of business hospitality a Director or an officer or employee should also note the following:

    20.1. in situations where an invitation to attend a business hospitality event satisfies the exceptions herein set out, a Director, officer or employee of the Bank shall nonetheless exercise sound and arm's length professional judgement consider whether acceptance could give rise to an actual or potential conflict of interest. If such a perception may objectively arise, then the invitation should be declined;

    20.2. employees or officers engaged in supervisory activities within a particular financial institution are not permitted to avail themselves of any form of business hospitality from that institution;

    20.3. on every occasion when permissible business hospitality is accepted a Director or an officer or employee of the Bank should inform the head of their department or the Bank Secretary who will record it accordingly;

    20.4. reimbursement of expenses relating to business hospitality should not be accepted;

    20.5. in exceptional circumstances and where it may not be practical to refuse a form of business hospitality, a Director or an officer or employee of the Bank should seek to pay for the business hospitality being offered or request an invoice and personal reimbursement may be processed thereafter by the Bank.

21. If a Director or an officer or employee of the Bank has any doubts as to whether an event they are attending constitutes business hospitality and is subject to the restrictions imposed by this Policy they should consult with their head of department, the Governor, a Deputy Governor or the Bank Secretary as the context may require.

General Exceptions to the Policy

22. This Policy does not strictly apply to a gift or business hospitality that may be adopted as a matter of protocol or social obligation which normally accompanies the

responsibilities of specific offices (e.g. from foreign business stakeholders). However, any such gift or hospitality should be issued to the Bank and not for the personal benefit of an individual only. Notwithstanding this, the provisions of paragraph 20.1 will still be applicable.

Recording of Gifts and Hospitality

23. The Bank will ensure that where gifts have been refused or returned or permission to accept business hospitality has been denied, these facts shall also be recorded.

Data retention and monitoring

24. Information relating to the acceptance of gifts and business hospitality will be treated as strictly confidential and retained in accordance with the Bank's record keeping policies. Under certain circumstances, information may be made available to the Director, Internal Audit, Director, Human Resources the Bank Secretary or other relevant senior officers in order that compliance with this policy might be assured.

25. This Policy shall be reviewed every three years.