



Code of Conduct for Monetary Policy Committee Members

24 September 2012

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1. Introduction

- 1.1 The Monetary Policy Committee (MPC) was established on 23 April 2007. Its composition and functions as set out under Sections 54 and 55 of the Bank of Mauritius Act 2004 (the Act), have been reviewed in 2011 to enhance the independence and transparency of the MPC.
- 1.2 The Economic and Financial Measures (Miscellaneous Provisions) (No.2) Act 2011, enacted on 15 December 2011, has brought numerous changes to Sections 54 and 55. Among others, a new subsection (2A) has been added to Section 54 of the Act which requires the MPC to publish a Code of Conduct to govern its meetings and report once a year to the Board of Directors of the Bank regarding its compliance with the Code of Conduct.
- 1.3 This Code of Conduct is, therefore, being issued under the provisions of Section 54(2A) of the Act.

2. Purpose

- 2.1 The objective of this Code of Conduct is to provide guidance and set ethical standards to be adhered to, at all times, by the Members of the MPC.
- 2.2 The provisions of this Code of Conduct shall be applicable to the Observers and Secretary of the MPC, as they apply to the MPC Members. The Code of Conduct shall be adhered to, at all times, by the Observers and Secretary of the MPC.

3. Fundamental Principles and Core Values

- 3.1 MPC Members shall subscribe to the highest standards of professional ethics, diligence, good faith and integrity and uphold the benefits to the overall economy as the ultimate goal.
- 3.2 Members shall avoid any act or omission, which may in any way impair the Bank's capacity to carry out its duties, or compromise its standing in the community and its reputation for integrity, fairness, honesty and independence.
- 3.3 They are required to be honest, objective and impartial in the performance of their duties.

4. Independence

- 4.1 In terms of Section 55(3) of the Act, the MPC shall, in the discharge of its functions, not be subject to the direction or control of any other person or authority.
- 4.2 In furtherance of the above, MPC Members shall act independently in expressing opinion and making decision and shall be independent from any political influence in the performance of their duties under the Act.
- 4.3 They shall not seek or take instructions from government or any organization that they belong to, nor shall they act as delegates or representatives of any interest groups or industry in the discharge of their duties.
- 4.4 They shall also behave in a manner that builds public confidence that they are effectively independent from external interference.

5. Conflict of interest

- 5.1 In the performance of their duties, MPC members shall avoid any situation that may give rise to potential conflicts of interest. A conflict of interest may arise where a member has personal or external interests that can jeopardise the member's impartiality and integrity in performing his duties.
- 5.2 To prevent the occurrence of such conflicts, MPC members shall, *inter alia*, –
 - 5.2.1 not become a major shareholder, director, manager, or officer in any financial institution regulated by the Bank.
 - 5.2.2 refrain from making use of information acquired in the performance of their duties and which are generally not available to the public, for purposes other than they were intended for or to carry out transactions of a private or personal nature, either by themselves or indirectly through third parties.
 - 5.2.3 generally, not abuse information, especially undisclosed information, and resources obtained in their capacity as MPC Members for their own or any other third party's benefit.
- 5.3 MPC members shall ensure that, during the first six months following the termination of their appointment, they do not place themselves in a situation of

potential conflict of interest that may arise from any new professional or private activities.

6. Confidentiality

- 6.1 MPC Members are required to maintain the confidentiality of all information, except those which are of a public nature, acquired in the performance of their duties.
- 6.2 They shall not disclose or be involved in disclosing distorted or inaccurate information that may mislead the public.
- 6.3 They shall also not disclose information regarding pending or on-going issues in MPC Meetings.
- 6.4 MPC Members shall avoid any situation where they might be perceived as having acted with the benefit of knowledge not available to the general market, for their own or any other third party's interest.

7. Communications with Media

- 7.1 The Bank shall announce the decision of the MPC regarding the Key Repo Rate in a Communiqué published on the website of the Bank at 18.00 hours on the day of the MPC meeting.
- 7.2 MPC Members shall be cautious not to divulge the MPC decision ahead of the time at which it is officially announced to the public.
- 7.3 The Bank shall organize a Press Conference on the day following the MPC Meeting to explain the decision taken by the MPC. The Bank shall however, refrain from commenting on the individual voting patterns of the MPC Members during the Press Conference.
- 7.4 The individual voting patterns shall only be disclosed in the minutes of the MPC which are published on the Bank's website two weeks after the meeting.
- 7.5 To prevent unnecessary speculation about monetary policy actions, MPC Members shall refrain from speaking to the media or making speeches on the economic

outlook and the direction of monetary policy at least two weeks before and after an MPC meeting where an interest rate setting decision will be or has been taken.

8. Compliance

- 8.1 MPC Members undertake to comply and adhere to this Code of Conduct at all times.
- 8.2 The Chairperson of the MPC shall ensure compliance with this Code of Conduct.
- 8.3 If an MPC Member becomes aware or suspects that a member of the MPC has, or may have, contravened this Code, he/she shall report the matter immediately to the Chairperson, preferably in writing and in a confidential manner. The Chairperson may initiate an investigation into the alleged breach.
- 8.4 The Chairperson of the MPC shall report once a year to the Board of Directors of the Bank regarding compliance by the MPC with the Code of Conduct.

9. Implementation and Review

- 9.1 This Code of Conduct shall take effect as from 24 September 2012 and is subject to periodic review.