Introduction

This code of ethics sets out the general ethical principles and rules of behaviour applicable to all employees, irrespective of their category, by virtue of the Banque de France’s status as an institution of the French Republic and the public service tasks incumbent on it.

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Article 1 Scope of application

The provisions of the Code of Ethics apply to all Banque de France employees, including the Governor, Deputy Governors, staff on external assignments or seconded to the Bank and interns, from the time they commence their professional duties.

For the purposes of this Code, the term “employee” shall be taken to refer to any person or persons falling within the above-defined scope of application.

Except where specified otherwise, Banque de France employees shall no longer be bound by the provisions of this Code from the time they cease their professional activities on behalf of the Bank.

Article 2 General obligations of employees

2-1 Employees shall perform their duties with integrity, impartiality and dignity. They shall conduct their missions efficiently and with due care, in the interests of the Banque de France and of all natural or legal persons connected with it. They shall observe all legal, regulatory, statutory or contractual provisions applicable to them in all aspects of their professional life. They shall show loyalty to the Banque de France and comply with all instructions issued by their superiors.

2-2 Employees shall remain objective and respectful of others in the conduct of their professional activities.

They shall express no political, philosophical or religious beliefs in the course of their activities. While in the workplace, they shall not engage in any political, philosophical or religious propaganda, or wear conspicuous symbols or clothing demonstrating a political, philosophical or religious belief.

They shall in no way discriminate against or harass their colleagues or other individuals associated with the Bank.

2-3 Employees have a duty to exercise restraint.

When carrying out their professional duties or advertising their status as a Banque de France employee, employees must refrain from expressing any opinion that might damage the Bank’s reputation or in any way undermine its authority or proper functioning.

This shall in no way affect the rights of union leaders to express themselves freely and as they see fit when acting in their capacity as union leaders and in the course of union-related activities.

2-4 Employees shall refrain from performing transactions, taking action or behaving in ways that are detrimental to or might damage the reputation of the Bank or any natural or legal persons connected with it.
Article 3 Benefits, gifts and invitations

Employees shall neither directly nor indirectly benefit from the relations they maintain with natural or legal persons connected with the Bank, nor shall they take advantage of the influence that their position at the Bank may bestow upon them. They shall not request or accept any benefits, gifts or invitations, or any promises thereof: they may only accept those of modest size that are given in the context of normal professional relations and are not liable to affect their impartiality.

Article 4 Use of professional goods and equipment

Employees shall endeavour to take adequate care of any goods or items of equipment placed at their disposal by the Banque de France.

They shall only use the aforementioned equipment or items for the purpose of carrying out their duties at the Banque de France, except where another use is authorised or tolerated – for example, reasonable personal use – and provided this is in no way detrimental to their professional activities or to the interests or image of the Bank.

Article 5 Conflicts of interest

5-1 Employees shall avoid any situations liable to result in a conflict of interest. A conflict of interest is taken to mean any situation in which the interests of employees or of their relatives or close friends are at odds with the interests of the Bank and could affect or appear to affect the independent, impartial and objective exercise of their duties. If in any doubt, employees should seek the advice of the Ethics Officer.

Employees shall endeavour to avoid and put an immediate end to any situation constituting a conflict of interest. If they believe that their integrity or impartiality might be called into question, they shall immediately inform their superior who shall assess whether any action should be taken - for example whether the issue or the decision should be entrusted to another person.

5-2 Employees involved in negotiating the terms of goods or services contracts on behalf of the Bank shall inform the Ethics Officer if they have had any personal dealings with the companies with which they are involved in the course of their professional duties. The employees in question shall provide the Ethics Officer, on first demand, with any documents, estimates and invoices relating to these transactions.

Employees shall also inform the Ethics Officer of any transactions carried out in a personal capacity involving financial instruments issued by or related to the aforementioned companies.

5-3 When employees are being recruited, the risk of conflicts of interest related to their previous professional activities is taken into account.

5-4 Persons being recruited and employees shall mention personal relations that may give rise to conflicts of interest.
Article 6 External activities and incompatibilities

6-1 In accordance with Article L. 142-9 of the French Monetary and Financial Code, employees of the Banque de France are prohibited from taking or accepting any holding or interest in, or remuneration whatsoever, whether in an active or advisory capacity, from any public or private enterprise of an industrial, commercial or financial nature, unless specifically authorised by the Governor.

In addition, employees are bound by Articles 432-12 and 432-13 of the French Penal Code on the illegal acquisition of interests, both while in employment and in the three years after they have ceased to work for the Bank.

As a result, all employees or former employees must obtain the necessary authorisation before engaging in any professional activity outside the Banque de France.

The conditions under which employees or former employees may carry out a professional activity are set out in Articles 112-1 and 112-2 of the Staff Rules, Article 65 of the regulations governing the retirement of tenured staff and Regulatory Decision taken by the Governor setting up an Advisory Committee on Incompatibilities.

If in doubt, employees shall seek the advice of the Chairman of the Advisory Committee on Incompatibilities.

6-2 The aforementioned provisions shall not apply to the production of scientific, literary or artistic works.

However, in the case of said works, employees shall not make reference to their position at the Banque de France unless specifically authorised to do so by the Bank itself. Moreover, they should ensure that their opinions, writings or images are in no way damaging to the reputation of the Bank, its staff or third parties.

Employees are obliged to exercise restraint in their works with regard to the areas in which the Banque de France operates.

6-3 Teaching activities, including those carried out outside normal working hours, must be approved in advance by both the employee’s superior and by the Director General, Human Resources.

Article 7 Professional secrecy

Employees are reminded that the disclosure of non-public information to a third party – including to family members, close friends, acquaintances or representatives – even if the third party is bound by professional secrecy, is punishable, under Articles L. 142-9 and L. 164-2 of the Monetary and Financial Code, by the sanctions set out in Article 226-13 of the French Penal Code regarding professional secrecy, except where otherwise stated under French law.

Specific legal provisions apply to employees who work for the Household Debt Commissions (Article. L. 331-11 of the French Consumer Code) or for the Autorité de
contrôle prudentiel et de résolution (French Prudential Supervision and Resolution Authority, ACPR) (Article L. 612-17 of the Monetary and Financial Code).

Confidential information shall only be disclosed within the Bank to employees whose positions so require.

Employees must also exercise discretion with regard to facts, information or documents, confidential or otherwise, which may come into their possession in the conduct of their professional activities.

Employees shall continue to be bound by professional secrecy with regard to all information acquired during the course of their duties and not yet made public, even after they have ceased to work for the Bank.

**Article 8 Use of information not in the public domain**

Employees shall not use non-public information obtained during the course of their activities for direct or indirect personal benefit.

They shall refrain, in particular, from carrying out personal transactions involving currencies, securities, financial products, contracts or goods of any kind or form, including gold, about which they possess non-public information acquired in the course of their duties.

Employees shall not carry out indirectly, notably via an intermediary, any transactions that they themselves are not authorised to carry out. Moreover, they shall not use non-public information to recommend to third parties to carry out transactions or encourage them to do so.

**Article 9 Prevention of insider trading**

9-1 In order to avoid the improper use of non-public information on companies, interest rates, currencies, or gold and prevent insider trading, employees liable to hold privileged information are subject to restrictions regarding the transactions they may carry out in securities, financial instruments, market instruments, or gold. Furthermore, they shall not carry out short-term transactions with such assets, defined in this Code as a purchase followed, less than 31 days later, by a sale (or a sale followed by a purchase) and involving an asset with the same characteristics.

This applies to employees carrying out one or more of the functions cited in lists A, B and C, established by a regulatory decision taken by the Bank’s Governor.

9-1-1 **List A** includes the Bank’s Governor, Deputy Governors and managers as well as those staff members working directly with the Governor or Deputy Governors.

Employees in List A may only carry out transactions in securities, similar instruments and gold:
- via a professional third party operating under a general management mandate which excludes any intervention by the client in the management process;
and/or via a mutual fund, provided that the employee reports to the Ethics Officer in month m+1 the purchases, carried out in month m and of a cumulative amount of EUR 10,000, of shares/units of a mutual fund whose primary objective is to invest in securities issued by governments or euro area public sector issuers, or securities issued by entities subject to ACPR supervision, or securities linked to gold or to a currency other than the euro, or securities issued by companies in the gold sector.

9-1-2 List B mainly includes staff whose professional activities provide them with access to non-public information on companies, and notably on companies whose shares are listed on a regulated market.

In addition to the general ban on trading in securities or similar instruments using non-public information, employees in List B are also banned from carrying out transactions in the securities of certain companies and derivatives whose underlyings are made up of such securities.

In the case of ACPR General Secretariat staff, the companies in question are those listed in the Code of Ethics adopted by the ACPR.

For all other employees, the companies are those defined for their specific field of expertise or for the specific geographical area where their unit is located.

All employees working in the General Secretariat of the ACPR, and other Banque de France staff required to handle non-public information on companies reporting to the ACPR are strictly forbidden from trading in securities or similar instruments. This provision applies to the functions listed in section B+ of List B.

The above-mentioned bans do not apply to transactions carried out:

- by a professional third party operating under a general management mandate that excludes any intervention by the client in the management process;

- through a mutual fund, provided that the employee reports to the Ethics Officer in month m+1 the purchases, carried out in month m and of a cumulative amount of EUR 10,000, of shares/units of a mutual fund whose primary objective is to invest in securities that the employee is not authorised to purchase directly.

9-1-3 List C includes employees operating in securities, currency and gold markets, as well as their immediate superiors and colleagues.

In addition to the general ban on trading in securities or similar instruments using non-public information, employees in List C are also banned from trading in any security listed on a market, including on the gold market or euro area government securities market, in which they operate on a professional basis, with the exception of currencies purchased for personal use. The above-mentioned bans do not apply to transactions carried out via mutual funds or a professional third party operating under a general management mandate that excludes any intervention by the client in the management process, provided that the employee reports to the Ethics Officer in month m+1 the purchases, carried out in month m and of a cumulative amount of EUR 10,000, of shares/units of a mutual fund whose primary objective is to invest in securities that the employee is not authorised to purchase directly.
9-1-4 Employees carrying out the functions cited in Lists A, B and C may continue to hold the securities, financial instruments or market instruments covered by these restrictions if they had already acquired them on the date they became subject to these provisions. This also applies to securities, financial instruments or market instruments received via a free transfer (inheritance, gift, etc.). However, employees are only authorised to exercise the rights associated with these instruments or to sell the instruments themselves, except where specified otherwise in the provisions applicable to employees of the ACPR General Secretariat. In the event of a sale, employees shall immediately notify the Ethics Officer of the transaction.

9-1-5 On taking up one of the functions in Lists A, B or C, employees shall furnish the Ethics Officer with the following:

- a comprehensive list of all securities and financial or market instrument accounts opened in his/her name or for which he/she is sole or joint decision-maker;
- an authorisation releasing the holders of these accounts from their duty of professional secrecy with regard to the Ethics Officer and the persons charged with ensuring the application of this Code of Ethics.

For employees in lists A or C, market instruments are deemed to include gold and gold-based derivatives.

These documents shall be returned to the employee in question upon request, and no earlier than one year after he/she has ceased to carry out the functions listed in List A, B or C. If they are not requested in due time, the documents shall be destroyed.

The employee shall be informed by the Ethics Officer in the event the aforementioned authorisation is used.

If the employee does not hold an account requiring declaration, he/she must submit a form stating “Nil” to the Ethics Officer.

The employee shall inform the Ethics Officer within 15 days as to any changes in his/her holdings of accounts requiring declaration.

The employee must respond without delay to all requests made by the Ethics Officer or by employees charged with ensuring the application of this Code of Ethics.

9-2 Employees not covered by section 9-1 of this Code of Ethics but who acquire non-public information, either directly or indirectly, on an occasional basis or otherwise, may have their transactions verified and shall be required to furnish the Ethics Officer with the following documents on first demand:

- a comprehensive list of all securities and financial or market instrument accounts opened in his/her name or for which he/she is sole or joint decision-maker;
- an authorisation releasing the holders of these accounts from their duty of professional secrecy vis-à-vis the Ethics Officer and the persons charged with ensuring the application of this Code of Ethics.

The employee must respond without delay to all requests made by the Ethics Officer or by employees charged with ensuring the application of this Code of Ethics.
Documents provided by the employee shall be returned on request, no earlier than one year after the verification has been completed. If they are not requested in due time, the aforementioned documents shall be destroyed.

9-3 In any given year y, the Ethics Officer and his/her representatives may investigate all transactions carried out during that year and in the two preceding calendar years. Employees are therefore required to keep all documents pertaining to transactions in securities, financial instruments, market instruments and gold carried out in year y (or proving that no such transactions took place), and all documents specifying the composition of security, financial instrument or market instrument portfolio in year y, until the end of year y+2.

Documents provided by employees shall be returned on request, no earlier than one year after the verification has been completed. If they are not requested in due time, the aforementioned documents shall be destroyed.

Article 10 The Ethics Officer; dissemination of ethical rules

The Ethics Officer shall be appointed by and shall be directly answerable to the Governor.

The Ethics Officer shall endeavour to ensure that all ethical rules are communicated to staff and that they are strictly applied.

He/she shall be responsible for organising any checks he/she deems necessary and shall be entitled to ask the Head of the General Inspectorate to appoint employees charged with carrying out these checks on his/her behalf.

He/she shall advise staff on how to resolve any ethical issues they might encounter.

He/she shall take adequate measures to ensure that all information brought to his/her attention is kept strictly confidential.

Employees and third parties are entitled to report to the Ethics Officer, non-anonymously, any behaviour they consider in good faith to be a violation of ethical rules. No unfavourable measures may be taken against the person making this report as a result of subject such action.

The Ethics Officer shall be consulted on all draft texts comprising provisions with ethical implications.

Each year, he/she shall submit to the Governor a report on the exercise of his/her duties.

He/she shall submit on a yearly basis to the European Central Bank a report on his/her activities in the areas with the remit of the Eurosystem. The ECB shall be informed immediately of any major breaches,
The Ethics Officer is bound by the present Code of Ethics; his/her financial transactions may be verified by the Comptroller General.

Hierarchical superiors shall take the necessary steps to ensure that the Code of Ethics is observed in their departments. They shall be responsible for reminding employees covered by Articles 5-2 and 9 of their specific obligations with regard to financial ethics.

**Article 11 Sanctions**

Failure to comply with the provisions of this Code of Ethics may constitute professional misconduct, and may be subject to disciplinary action.

The verification report drafted at the request of the Ethics Officer shall be attached to the special investigation report required under disciplinary procedures.

Any disciplinary action ordered by the Bank shall be applied without prejudice to criminal proceedings brought against the perpetrator.