

Approved
by Decision of the Supervisory Board
of the National Bank of Moldova
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**CODE OF ETHICS AND PROFESSIONAL CONDUCT
OF THE NATIONAL BANK OF MOLDOVA**

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INTRODUCTION

The National Bank of Moldova (hereinafter referred to as NBM or National Bank) is an autonomous public legal entity with attributions that have an effect on the financial system and the entire economy of the country. The National Bank is accountable to Parliament.

The application of a framework of ethics and professional conduct is part of organisational governance in the National Bank and an essential condition for the NBM to continuously be a professional institution whose performance strengthens its strategic positioning in the financial system and generates public confidence.

I. GENERAL PROVISIONS

1. This Code of Ethics and Professional Conduct of the National Bank of Moldova (hereinafter - Code of Conduct or Code) is drawn up pursuant to Article 26 paragraph (1) letter d) of *Law No 548/1995 on the National Bank of Moldova* (hereinafter referred to as Law No 548/1995), paragraphs 21-22 of the Regulation on Organisation and Functioning of the Supervisory Board of the National Bank of Moldova, approved by the Decision of the Supervisory Board No 25 of 23 August 2019, taking into account the legal framework, good practices and international standards applied by other central banks and international financial organizations¹. The Code of Conduct transposes, but is not limited to, provisions of the following normative acts:

- Law No 325/2013 on Institutional Integrity Assessment,
- Law No 133/2016 on the Declaration of Wealth and Personal Interests,
- Law No 82/2017 on Integrity,
- Law No 122/2018 on Whistle-blowers,
- Law No 121/2012 on Ensuring Equality,
- Government Decision No 767/2014 for the implementation of the Law on Institutional Integrity Assessment No 325/2013,
- Government Decision No 23/2020 for the approval of the Regulation on procedures for internal review and reporting of disclosures of unlawful practices,
- Government Decision No 116/2020 on the legal regime of gifts.

2. The Code of Conduct regulates the rules of ethics and professional conduct of the employees of the National Bank of Moldova, of the persons mentioned in paragraph 5 subparagraph 4) and serves as a reference for the public on the rules of ethics and professional conduct, which they are entitled to expect in their relations with the National Bank.

3. The Code *aims* to establish rules of ethics and professional conduct applied by employees in the performance of their duties, as well as mechanisms to prevent actual conflicts of interest, compliance with which ensures that the NBM performs its statutory duties fairly, uniformly and in accordance with proper management practice².

4. The Code has the following objectives:

- 1) to contribute to strengthening the climate of institutional integrity based on rules of ethics and professional conduct,

¹ European Central Bank, Central Banks: of Albania, England, Belgium, Canada, Switzerland, France, Germany, Greece, Ireland, Iceland, Luxembourg, Montenegro, New Zealand

² Law No 548/1995 on the National Bank of Moldova, Article 74 paragraph (1), The National Bank shall exercise its powers under this Law fairly, uniformly and in accordance with proper management practice.

- 2) to strengthen the credibility and reputation of the National Bank, as well as public confidence in the integrity and impartiality of its employees,
- 3) to ensure comprehensive organisational governance³ within the NBM,
- 4) to promote ethical behaviour based on the principles of this Code.

5. *Scope.* This Code shall apply to:

- 1) employees of the National Bank,
- 2) members of the Supervisory Board (hereinafter SB), to the extent applicable to them as members of the governing body of the NBM,
- 3) members of the Audit Committee (hereinafter referred to as AC), to the extent applicable to them,
- 4) persons who perform an internship at the NBM, as well as any other persons acting on behalf of the NBM, except for those who perform the external management of the foreign exchange reserves of the NBM, within the limit of the declaration submitted in accordance with the Annex,
- 5) employees whose employment contract is suspended - in the part concerning the provisions applicable to them and outside the performance of their duties.

6. Additional rules of ethics and professional conduct, based on the principles and values enshrined in this Code, shall apply to the members of the Executive Committee (hereafter EC), AC and SB.

7. The provisions of this Code of Conduct are binding and form part of the work discipline within the NBM.

8. Terms and definitions:

External activity – the activity performed by the employee outside working hours at the NBM and not related to his/her job duties as an employee of the NBM.

Ethical behaviour - employee conduct based on the principles and rules of ethics and professional conduct enshrined in the Code.

Conflict of interest - a situation in which the employee has a personal interest which influences or could influence the impartial and objective exercise of his/her duties under the law and internal regulations.

Information covered by professional secrecy – the information that constitutes banking, commercial, tax, personal data and any other secret protected by law, of which the employees of the NBM become aware in the course of the performance of their duties, as well as confidential information created by the NBM for the purpose of or in connection with the performance of its duties, the disclosure of which would harm the interest or prestige of the person to whom it refers, including the National Bank.

Personal interest - any material or non-material interest of the employee arising from his/her activities as a private person, from his/her relations with close persons or with legal persons and other economic agents, irrespective of the type of ownership, from his/her relations or affiliations with non-commercial organisations, including political parties and international organisations.

Close person - the employee's spouse, child, cohabiting partner, dependant, also the person related by blood or adoption to the employee (parent, brother/sister, grandparent, grandchild,

³ In accordance with the Central Bank Transparency Code approved by the International Monetary Fund, Pillar I - Central Bank Governance, Chapter A, paragraph 1.6.3. Central Bank Transparency Principles

uncle/aunt) and the person related by affinity to the employee (brother/sister-in-law, father/mother-in-law, son/daughter-in-law).

Employees - NBM staff, including members of the Executive Board of the National Bank. This Code also uses other notions, to be applied as defined by the legal framework.

II. VALUES, SKILLS, AND PRINCIPLES OF PROFESSIONAL CONDUCT

9. In the performance of their duties, NBM employees shall:

- 1) comply with and apply the NBM values approved in the NBM Strategic Plan, based on the principles set out in this Code,
- 2) develop and apply the competencies approved according to the internal regulations related to performance management,
- 3) be guided by and apply the following principles: *legality; professional integrity; diversity, fairness, and inclusiveness; independence; professionalism; loyalty; social and environmental responsibility.*

10. **Legality.** In the performance of their duties, the employees shall comply with the legislation of the Republic of Moldova, the internal regulations of the NBM, the decisions of the SB and the EC, the orders, and provisions of the Governor. The employees shall not induce natural or legal persons, including other employees, to engage in unlawful conduct by using their status as employees of the NBM. The employees shall not make use of their NBM employee status when not representing the NBM.

11. **Professional integrity.** In the performance of their duties, employees shall conduct their professional activity in an ethical manner, free from improper influence and corruption, in compliance with the values of the NBM and the rule of law.

12. **Diversity, equity, and inclusion.** The employees shall make decisions and take actions in an impartial, non-discriminatory and fair manner, without giving preference to any person or group based on the political, economic, social, cultural and other spheres of life, regardless of race, colour, national, ethnic or social origin, social status, nationality, language, religion or belief, sex, age, gender identity, marital status, sexual orientation, disability, health status, HIV status, opinion, political affiliation, wealth, birth or any other criteria, as set out in the regulatory framework. The employees shall behave in a respectful, exacting, fair and courteous manner in their dealings with the public, as well as with managers, colleagues, and subordinates. The employees shall avoid behaviour in the workplace that could create an atmosphere of hostility or intimidation. The employees are welcomed, accepted, respected, and mutually appreciated in all their diversity, with equal opportunities to participate in the activity of the Bank and its development, as part of the organisational culture.

13. **Independence.** The employees shall be independent in the performance of their duties and shall neither seek nor accept instructions from any institution, authority, organisation, legal or natural person outside the NBM. An employee's political affiliation or preferences shall not influence his/her conduct and decisions, as well as the policies, decisions, and actions of the NBM.

14. **Professionalism.** The employees shall perform their job duties responsibly, competently, efficiently, promptly, and fairly based on emotional intelligence. The employees are responsible for performing their job duties within the deadlines and in accordance with the requirements stipulated in their individual employment contract, job description, the work

plan of the subdivision to which they belong and the requirements of their superiors. The employees are accountable to their senior manager for the performance of their duties. In their work, the employees shall demonstrate competence in what they do, are motivated and perseverant when faced with professional challenges.

15. Loyalty. The employees shall act in good faith towards the NBM, shall support, within the limits of their duties, the decisions related to the NBM's tasks and shall serve the legal interest of the NBM, even if they are unpopular. The employees shall refrain from any act or deed that may damage the image, prestige, or legal interests of the National Bank.

16. Social and environmental responsibility. In their work, the employees shall demonstrate responsibility for the impact of their decisions and activities, as far as possible, on society and the environment, manifested through ethical and transparent behaviour that contributes to sustainable development, including the health and well-being of society, considering the expectations of stakeholders, while respecting the regulatory framework. In the course of their activity, the employees shall contribute to the efficient use of resources and the reduction of pollutant emissions by optimising the use of energy, paper, water and other resources and waste management, including by supporting the implementation of necessary measures.

III. ROLES AND RESPONSIBILITIES

17. The Code of Conduct sets out the roles and responsibilities of all parties involved in its implementation, as set out in this Chapter.

18. The employees, SB members as well as AC members shall contribute to cultivating the favourable climate for ethical behaviour and institutional integrity, based on the rules of ethics and professional conduct set out in this Code.

19. The Supervisory Board shall:

- 1) establish the rules of ethics and professional conduct by approving this Code and any subsequent amendments thereto,
- 2) ensure the necessary financial resources for the effective implementation of the provisions of this Code by approving them in the Budget and/or Investment Allocations of the NBM, as appropriate.

20. The Executive Committee shall:

- 1) ensure the implementation of this Code and take the necessary decisions in this regard,
- 2) ensure the use of resources and the application of tools, including the organisation of training necessary for the effective implementation of the provisions of the Code within the financial resources approved in the Budget and/or Investment Allocations of the NBM, as appropriate,
- 3) monitor, through the Ethics Committee and the compliance function, the manner in which the Code is applied in the NBM,
- 4) examine and make decisions related to the scope of the Code in cases where the employee disagrees with the opinion of the Ethics Committee.

21. The Audit Committee (within the scope of its responsibilities) shall:

- 1) monitor the effectiveness of the internal control and risk management system, tangential to the rules of ethics and professional conduct,

- 2) monitor compliance issues that may have a significant impact on the NBM's financial statements and/or reputation, tangential to the rules of ethics and professional conduct.
- 22. The Governor of the National Bank shall:**
- 1) ensure the appropriate distribution of responsibilities for the implementation of the provisions of the Code at the level of subdivisions and of each employees,
 - 2) ensure that measures are taken, and decisions are taken within its competence regarding compliance with the rules of ethics and professional conduct and the avoidance or resolution of conflicts of interest and situations of incompatibility,
 - 3) act in accordance with the regulatory framework for the prevention of corruption and corruption-related activity, acts of corrupt behaviour among employees,
 - 4) not knowingly allow employees to perform their duties in situations of actual conflict of interest or incompatibility.
- 23. The members of the NBM's governing bodies and persons in managerial positions shall serve as role models for the application of the rules of ethics and professional conduct.**
- 24. Ethics Committee shall:**
- 1) consult and provide explanations on the application of the rules of ethics and professional conduct in this Code in cases where a complex, detailed analysis of the situation raised by the employee's request is necessary,
 - 2) issue opinions in the cases provided for by the Code, which contain proposals, including to the senior manager of the employee, on measures to avoid the occurrence of an actual conflict of interest as a result of a potential one,
 - 3) examine incidents of non-compliance with the rules of ethics and professional conduct by employees and recommend measures to remedy or sanction them and avoid them in the future, in accordance with the Labour Code and the Internal Regulations of the NBM,
 - 4) inform the Governor, the EC member who oversees the subdivision, the head of the subdivision to which the employee belongs, as appropriate, and other EC members or interested persons, upon the Decision of the Ethics Committee, of the opinions/recommendations issued to manage a potential conflict of interest or any other violation of this Code involving the employee,
 - 5) examine the declarations submitted by EC members in accordance with the internal regulations and issue opinions to ensure the management of possible conflicts of interest in which the EC member may find himself/herself.
- 25. The Compliance function shall:**
- 1) ensure the elaboration and development of the ethics and professional conduct framework, including the rules for the implementation of the Code of Conduct,
 - 2) facilitate the process of implementing the provisions of the Code,
 - 3) consult employees on basic aspects of the application of the rules of ethics and professional conduct (application of the principles, deadlines arising from this Code, types of transactions subject to reporting, etc.),
 - 4) monitor the implementation of the provisions of the Code and inform the Ethics Committee of any instances of non-compliance,

- 5) record incidents of non-compliance with the rules of ethics and professional conduct in the Electronic Incident Register with data confidentiality, based on substantiated information received from employees or other available legitimate sources,
 - 6) ensure communication of employees and other responsible parties mentioned in this chapter with the Ethics Committee,
 - 7) provide the secretariat function for the Ethics Committee,
 - 8) provide knowledge transfer to employees through regular training, at least annually,
 - 9) maintain and keep records of declarations of conflicts of interest in accordance with the regulatory framework and internal regulations by registering them in the Register of Declarations of Conflicts of Interest.
- 26. The Department of Strategy, Organisation and Human Resources shall:**
- 1) ensure that employees are informed of the provisions of the Code on recruitment,
 - 2) draw up orders for the application of disciplinary sanctions for violations of the provisions of this Code, based on the recommendation of the Ethics Committee, which shall submit a proposal for the application of disciplinary sanctions.
- 27. Persons in managerial positions (heads of subdivisions at all levels) shall:**
- 1) inform their subordinates of the provisions of this Code when approving and amending it,
 - 2) manage conflict situations they become aware of in an impartial and constructive manner,
 - 3) in the performance of their specific managerial duties:
 - a) ensure equal opportunities and treatment in all aspects of activity, including access or promotion of subordinated employees,
 - b) avoid discriminatory, kinship, affinity, or other criteria inconsistent with the principles and rules of ethics and professional conduct laid down in this Code, examine and apply objectively the criteria for assessing the competence and professional performance of subordinate employees, when proposing or coordinating transfers, appointments or dismissals or granting material or non-material benefits, excluding any form of favouritism, disadvantage, or discrimination,
 - c) take the necessary actions to prevent corruption and corruption-related acts, acts of corrupt behaviour among employees, within the limits of the responsibilities laid down in the internal regulations,
 - d) do not knowingly allow subordinate employees to carry out their duties in situations of actual conflict of interest or incompatibility, within the limits of the responsibilities laid down in internal regulations,
 - 4) ensure the submission of declarations by the persons referred to in paragraph 5 subparagraph 4) for activities carried out for the benefit of the subdivision they lead.
- 28. Persons in managerial positions are responsible for taking the necessary measures, within the limits of their competence, to ensure that the provisions of this Code are applied and complied with by their employees.**

29. NBM employees shall:

- 1) apply the principles, values and rules of ethics and professional conduct of this Code,
- 2) avoid conflicts of interest, incompatibilities and restrictions in the hierarchy when performing their duties,
- 3) comply with the internal policies and regulations of the NBM in the performance of their duties,
- 4) cooperate in investigations of breaches of the rules of ethics and professional conduct referred to in Chapter VIII of this Code,
- 5) comply with the provisions of Article 7 paragraph (2) of Law No 325/2013 on Institutional Integrity Assessment⁴,
- 6) ensure, outside working hours, a conduct appropriate to the principles of this Code, which does not affect the image of the NBM,
- 7) participate in periodic training, at least once in two years, related to the provisions of the Code, which ends with a test in which employees shall obtain a score of at least 75%. If the minimum score is not achieved, the employee attends a new training with a repeated test.

30. Internal audit shall:

- 1) analyse and assess the effectiveness of the establishment and implementation of the rules of ethics and professional conduct within the NBM according to the work plan approved by the internal audit,
- 2) report to the EC, AC and SB on the results of the assessment.

IV. RULES OF ETHICS AND PROFESSIONAL CONDUCT

31. Conflict of interest:

- 1) the employees shall avoid any conflict of interest when performing their job duties and follow the obligations to identify and deal with conflicts of interest,
- 2) the settlement of *actual* conflicts of interest is based on the Decision of the Governor, in accordance with the regulatory framework and internal regulation, after consulting the Ethics Committee, if deemed necessary,
- 3) until the *actual* conflict of interest is settled, the employee is prohibited from taking any action on the matter, except for abstention,
- 4) the employees with licensing, authorisation and supervisory duties shall declare the *potential* conflict of interest in accordance with internal regulations,
- 5) in case the employee is involved in a criminal or administrative litigation or trial, the subject of which is the activity in the NBM, he/she shall, within 3 working days from the date of his/her notification, declare in writing the fact to the Governor informing the EC member who supervises the activity of the subdivision in which

⁴ Article 7 paragraph (2) of Law No 325/2013, the employees are obliged to a) not admit any manifestation of corruption; b) immediately denounce to the competent authorities any attempt to be involved in the actions referred to in letter a); c) immediately denounce improper influence, to declare gifts and conflict of interest in accordance with the Law; d) know and respect their obligations under national and sectoral anti-corruption policies referred to in Article 5; e) comply with the specific professional integrity requirements for the work of public officials within the NBM, which have been made known to them; f) comply with the measures included in the integrity plan adopted following the Institutional integrity Assessment.

- he/she works, the head of the subdivision in which he/she works and the compliance function, in order to take measures to avoid the conflict of interest,
- 6) in order to manage potential conflicts of interest and to deal ex-ante with actual conflicts of interest, the employees shall submit the declarations provided for in Chapter VI, in the cases and under the conditions concerned.
- 32. Incompatibilities, hierarchy restrictions and advertising limitations:**
- 1) in order to comply with the legal regime of incompatibilities, restrictions in the hierarchy and advertising limitations within the NBM, the employee shall take the following measures:
 - a) resolve the states of incompatibility within one month from the moment of commencement of the employment or service relationship or, if the termination of the situation of incompatibility within the given period does not depend on its will, to provide evidence that actions to eliminate this situation have been taken in good faith,
 - b) inform the Department of Strategy, Organisation and Human Resources in the process of hiring/transferring to a post within the NBM on situations, which would lead to the performance of service duties under the direct subordination of a close person. The employees who begin to find themselves in the given situation during their activity at the NBM, shall act, after consulting the Department of Strategy, Organisation and Human Resources, in order to terminate the direct hierarchical relations within 2 months,
 - c) avoid the use of official symbols (National Bank of Moldova, NBM logo, etc.) related to the performance of their duties for personal interest,
 - d) not allow the use of the name, together with the capacity as an employee of the NBM, as well as the voice or signature as an employee of the NBM in any form of advertising in favour of an economic agent or any commercial product, national or foreign,
 - 2) the employees with supervisory duties are prohibited from participating in expert committees and in any other verification activities that exceed the duties and powers conferred on them by law,
 - 3) the employees who terminated their employment during the last year of work with direct supervisory or control duties of entities supervised by the NBM are not entitled to be employed for one year in these entities,
 - 4) in case of appointment of the employee to a civil service or position of public dignity, he/she shall respect the legal regime of incompatibilities and restrictions provided for by the regulatory framework.
- 33. Undue influences.** In the exercise of their duties, employees are obliged to:
- 1) reject undue influence, according to the normative framework and internal regulations related to undue influence,
 - 2) legally perform the activity for which the undue influence occurred,
 - 3) make a denunciation in the cases and manner provided by the normative framework and internal regulations.
- 34.** The Governor and the person in charge of the record of improper influence, according to the internal regulations, have the obligation to ensure the prevention, record

keeping and confidentiality of cases of improper influence according to the regulatory framework and internal regulations.

35. Compliance with the legal regime for the declaration of wealth and personal interests. Employees shall submit the declaration of assets and personal interests at the time of hiring, appointment, reinstatement after termination of employment, annually and at the time of termination of employment or mandate, within the time limit and in the manner provided for by Law No 133/2016 on the Declaration of Wealth and Personal Interests.

36. Gifts:

- 1) the employees comply with the legal regime for gifts established by the legal framework and internal regulations,
- 2) the employees are prohibited from requesting or accepting gifts intended for themselves or their families if the giving or accepting of such gifts is directly or indirectly related to the performance of their duties (impermissible gifts),
- 3) the employees are prohibited from accepting gifts on behalf of other employees, including on behalf of EC members as well as SB members,
- 4) the employees declare gifts admissible and inadmissible (in the case of the latter, given without their knowledge, left in the office, anteroom, etc.) according to internal regulations,
- 5) the solicitation or acceptance of gifts is considered inadmissible under the regulations constitute acts of corruption,
- 6) the acceptance of an admissible gift shall not hinder and influence the objectivity and independence of the employee.

37. Procurement. Employees shall ensure:

- 1) proper conduct of procurement procedures by maintaining objectivity, neutrality, and fairness and by ensuring the transparency of their actions, as well as other principles laid down in public procurement legislation,
- 2) compliance in particular with the general and specific rules on avoiding and reporting conflicts of interest, acceptance of gifts and professional secrecy,
- 3) communication with economic operators participating in a procurement procedure only through official channels and, whenever possible, in writing,
- 4) signing, if he/she is a member of the working group on procurement, under his/her own responsibility, the declaration of confidentiality and impartiality under the provisions of Law No 131/2015 on Public Procurement.

38. External and international relations:

- 1) the employees shall bear in mind the principle of independence and the reputation of the NBM, as well as the need to maintain professional secrecy in their relations with any institution, authority, organisation or legal or natural person outside the NBM. The employees shall inform their senior manager of any attempt by an external party to influence the performance of their duties,
- 2) the employees shall coordinate in advance, on a mandatory basis, with the senior manager, including the head of the subdivision itself and, where appropriate, with the EC member supervising the activity of the subdivision, the information to be transmitted on behalf of the NBM to its external partners (international organisations, diplomatic missions on the territory of the Republic of Moldova, other

central banks, authorities of the Republic of Moldova, other foreign natural/legal persons), with the exceptions provided for in the internal regulations,

- 3) the communication with the media or social media on behalf of the NBM shall be carried out only by or in coordination with the subdivision responsible for communication and only following approval by the EC member who supervises the subdivision's activity. The employees shall not, on behalf of the NBM, provide information to the media or social media, publish information, or make public statements about NBM policies or activities or any other information other than as set out in this subparagraph,
- 4) in dealing with the public, the expression of personal opinions shall be carried out in a manner that does not prejudice the principles enshrined in the Code, and in the case of opinions contradictory to the NBM's policies, with the explicit statement that the opinions expressed are personal and do not reflect the official opinion and position of the NBM. Accessibility, efficiency, accuracy, and politeness are the principles that employees must adopt in their relations with the public. The provision of the requested information shall take place within the limits of the legal provisions and internal regulations on access to information,
- 5) the employees who represent the NBM and intend to give speeches/presentations at external events (e.g., conferences or seminars) or contribute to external publications with information related to the NBM's activity shall coordinate in written form (email etc.) the information with the senior manager,
- 6) the employees who do not represent the NBM and intend to give speeches/presentations at external events or contribute to external publications with information related to the NBM's activity shall not use confidential information,
- 7) the information on the activities of the NBM and events organised by the NBM are the intellectual property of the institution and the right to distribute/manage them belongs exclusively to the institution. The employees may only publish/distribute on social media the information, comments, images (photo/video) and audio recordings from or about the professional activities and events organised by the NBM for its employees, without the participation of the general public and/or media, which have been made public on the Institution's official social media/social networking website or profiles. The information and general comments placed by NBM employees shall not damage the image, prestige, or legal interests of the NBM, especially in the case when they have explicitly indicated their status as NBM employees in the description of their professional activities,
- 8) the employees, when representing the NBM within external or international bodies, organisations and institutions, educational institutions, conferences, seminars and other external/international activities or events, shall conduct themselves in such a way as not to damage the image, prestige, or legal interests of the NBM,
- 9) the employees, when representing the NBM, shall present the positions and interests of the NBM in a respectful and appropriate manner, demonstrating professionalism and integrity,
- 10) the employees, when representing the NBM in relations with representatives of other states, are prohibited from expressing opinions on behalf of the NBM on

national or international subjects which do not fall within the competence of the NBM,

11) the employees shall have an integral presence in society and on social media and/or social networks and shall not publish, rate, distribute or promote information that damages the image of the NBM or the status of NBM employee.

39. Internal relations:

1) the employees shall comply with the instructions of the senior manager and the applicable reporting hierarchy. If employees consider that an instruction given to them does not comply with the legal norms, they shall inform their senior manager of their doubts or, if the latter has not reacted, inform the head of the directorate, the director of the department or their deputies as appropriate. If the indication is confirmed in writing by the head of the Directorate, the Director of the Department or their deputies, the employees shall carry out the indication unless it is manifestly illegal,

2) the employees shall not request other employees to carry out activities for their personal interest or for other persons, using their status or position in the NBM,

3) the employees behave loyally towards their colleagues, while ensuring a spirit of cooperation in accordance with the values of the NBM. The employees provide information and advice in their professional field to colleagues in the NBM in accordance with internal regulations. The employees shall not discuss subjects that may affect the conduct of the activity, especially to satisfy a personal interest, and shall not provide false, inaccurate, or exaggerated information.

40. Protection measures:

1) the employees are provided with working conditions in an environment that ensures conditions for their health and safety,

2) the employees are ensured the protection and confidentiality of personal data within the National Bank according to the legal framework and internal regulations,

3) the employees who disclose in good faith any unlawful practice are recognised as whistle-blowers and are afforded safeguards and protections in accordance with the relevant regulatory framework and internal regulations,

4) the identity of an employee who discloses information in accordance with subparagraph 3) shall not be disclosed or communicated to persons suspected of such practices unless the employee himself/herself discloses or communicates his/her identity, except in the case of a criminal prosecution initiated on the basis of disclosure of the public interest,

5) for the disclosure in good faith referred to in subparagraph 3), the employee shall not be disciplined,

6) the obligation to ensure the application of the protection measure referred to in subparagraph 3), as well as for compliance with the provisions of subparagraphs 4) and 5) shall be borne by the Governor of the NBM.

41. Use of NBM resources:

1) the employees shall ensure the protection of the NBM's property and avoid any damage to it,

2) the employees shall use the working time and the property of the NBM for the purpose of carrying out the activities related to their duties,

3) the employees shall ensure, in accordance with their duties, the efficient and rational use of the NBM's resources.

42. Dress code:

1) the organisational style of clothing of the NBM employees is sober, reserved, adapted to the requirements of the traditional formal office appearance, to the requirements of the job, to specific activities (meetings, reception of foreign delegations, congresses, conferences, seminars, etc.), as well as to other peculiarities provided for in the internal recommendations of the NBM,

2) the employees who represent the NBM shall dress in a manner that does not harm the image of the NBM.

43. Badge. The employees shall be provided with badges bearing the NBM logo and shall be encouraged to wear them throughout their employment with the NBM.

V. PROTECTION OF INFORMATION COVERED BY PROFESSIONAL SECRECY

44. The employees shall keep professional secrecy on any information that constitutes banking, commercial, tax or other secret protected by law, of which they become aware in the course of performing their duties according to the legal framework and internal regulations.

45. The employees shall keep their professional secrecy after termination of their employment with the NBM or after termination of other relations with the NBM, including during leave of absence of any kind, suspension of employment, unless this information has already been made public.

46. The employees may use information constituting professional secrecy only for the purpose and within the framework of the performance of their duties related to the tasks of the NBM. The employees shall not be entitled to use information constituting professional secrecy for their personal interest or for the interest of third parties, to disclose such information or to allow unauthorised third parties to access/use it, contrary to the provisions of Article 36 of Law No 548/1995.

47. The prohibition on the use of information constituting professional secrecy covers, but is not limited to:

- 1) personal transactions on one's own account or on behalf of third parties,
- 2) recommendations/advice to third parties to carry out personal or professional financial transactions, or to encourage them to carry out such transactions,
- 3) obtaining advantages for personal gain.

48. Information constituting professional secrecy may be disclosed or provided in accordance with the regulatory framework and internal regulations.

VI. PERSONAL FINANCIAL TRANSACTIONS

49. *The National Bank advises employees to exercise caution and care when conducting personal financial transactions in order to safeguard the reputation and credibility of the NBM, as well as public confidence in the integrity and impartiality of employees.*

50. *The National Bank recommends that employees' personal financial transactions should not be speculative and should be carried out in a reasonable proportion to their income and wealth so as not to jeopardise their financial independence.*

51. *The National Bank advises employees to refrain from making personal financial transactions related to the acquisition and disposal through any operations of shares issued by supervised entities or shares in their share capital.*

52. Employees shall comply with the norms applicable to the following categories of personal financial transactions:

- 1) personal financial transactions subject to *ex ante* notification,
- 2) personal financial transactions subject to *ex post* reporting.

53. *Personal financial transactions subject to ex ante notification:*

1) the employees involved in the licensing, authorisation and supervisory processes and other decision-making processes related to supervised entities shall notify the Ethics Committee of personal financial transactions related to the acquisition and disposal by any transaction of shares issued by supervised entities or shares in their share capital, except those subsequently acquired passively (through inheritance or as a result of a change in the capital structure or a change in control of that entity in relation to which the employee holds assets or rights, other situations demonstrating passive acquisition), which shall be subject to reporting through the declaration of assets and personal interests,

2) the employees intending to engage in the transactions referred to in subparagraph 1) shall notify the Ethics Committee at least 10 working days before engaging in such transactions. The Ethics Committee shall give an opinion on the existence or absence of a potential conflict of interest of the employee to be involved in the said transactions within 5 working days of receipt of the notification. In the case of subsequent passive acquisitions, the employee shall report to the Ethics Committee the related information within 10 working days from the date of the transaction,

3) in urgent cases, the time limit for notifying the Ethics Committee provided for in subparagraph 2) may be reduced at the employee's reasoned request. In such cases, the Ethics Committee may be convened to examine the notifications referred to in subparagraph 1) and give its opinion within a shorter period than that indicated in subparagraph 2),

4) the information on the holdings of shares, issued by the supervised entities or shares in their share capital, of NBM employees are taken by the Ethics Committee from the declarations of assets and personal interests published on the website of the National Integrity Authority,

5) the information on the holdings of shares or shares in the share capital of the EC members shall be taken over by the Ethics Committee from the Secretary of the SB after the SB meetings, in which they were declared in accordance with the provisions of Article 32 of Law No 548/1995.

6) the list of positions held by the employees referred to in subparagraph 1) shall be approved by the EC.

54. *Personal financial transactions subject to ex post reporting:* The employees shall declare any loans, except those received from the NBM, to the Internal Audit Department within 10 working days of contracting them out. The compliance function shall dispose of the information declared to the Internal Audit Department under this subparagraph if it exceeds the amount of MDL 1 million.

55. The following constitutes a genuine conflict of interest:

1) transactions referred to in paragraph 53 subparagraph 1) made by employees referred to in paragraph 53 subparagraph 1) with direct supervisory powers over the entity whose shares or parts of the share capital are traded,

2) transactions made by employees holding information of a precise nature, which concerns monetary policy instruments and financial instruments, foreign exchange rates/official exchange rate of Moldovan leu, the use of which for personal interest is prohibited, and which has not been publicly disclosed, and if publicly disclosed, could have an impact on the financial or foreign exchange market (inside information), as follows:

a) transactions conducted during the period of 7 calendar days prior to the approval of the EC decision in ordinary meeting on the NBM interest rates, effective day and 24 hours after the decision was taken or during the period of 2 calendar days prior to the approval of the EC decision in extraordinary meeting on the NBM interest rates, effective day and 24 hours after the decision was taken with reference to:

- short-term transactions, i.e., the sale or purchase of state securities with the same international security identification number that were purchased or sold in the month preceding the transaction date,
- transactions exceeding MDL 200,000 during any calendar month with state securities issued by the Government of the Republic of Moldova, if the transaction is carried out through one or more operations that are related to each other,

b) transactions conducted between 12:30 p.m. and 4 p.m. on the working day, and if the determination and publication of the official exchange rate of the Moldovan leu takes place outside the mentioned time interval, the respective time interval for the reporting day shall be observed, with reference to:

- short-term sale-purchase transactions of the same foreign currency against Moldovan leu exceeding MDL 200,000 cumulatively during any calendar month,
- foreign exchange transactions of purchase or sale of foreign currency against Moldovan leu exceeding MDL 200,000 during any calendar month, if the transaction is carried out through one or more operations that are related to each other.

56. The list of positions which lead to the application of the provisions of paragraph 53 subparagraph 1) and paragraph 55 subparagraph 2) to employees holding these positions is approved by the EC.

57. The Ethics Committee reviews reported financial transactions for the fulfilment of the conditions for a conflict of interest as stipulated in paragraph 53 under the conditions laid down in the internal regulation. In case such transactions have been identified, the Ethics Committee shall immediately report to the Governor.

58. The Ethics Committee, in case of identification of the need to take measures leading to the avoidance of actual conflict of interest, as a result of the analysis of the reported information on financial transactions, shall issue opinions according to paragraph 24 subparagraph 2).

59. *In case of uncertainties regarding the conduct of personal financial transactions, the National Bank advises employees to refrain from conducting them until they have obtained advice from the compliance function.*

VII. EXTERNAL ACTIVITIES

60. The employees shall have primary professional responsibility towards the NBM. In order to ensure compliance with Article 25 paragraph (2) of the Law No 548/1995, the employees shall notify the Ethics Committee before engaging in an external activity or, at the time of employment, about the external activity in which they are engaged, which could give rise to a conflict of interest.

61. The Ethics Committee shall issue an opinion, within 5 working days from the moment of receipt of the notification, mentioning the existence or absence of a potential conflict of interest between the employee's work duties and the external activity.

62. If the employee disagrees with the opinion of the Ethics Committee, he/she may request an opinion from the EC, which shall issue a decision on the matter.

63. Notification is not required for unpaid external activities in the field of culture, science, research, art, education, sport, charity, religion, social work, or volunteering and are not related to the activities of the NBM or the employee's work duties within the NBM.

64. The employees may be members of science and innovation organisations, professional organisations and may carry out research, science, art, lecture, and similar activities. If the scientific and professional works of employees carried out in their own name with reference to the fields of activity of the National Bank do not reflect the official opinion or position of the NBM, this fact shall be communicated to the participants of the event or indicated in the scientific work.

65. The employees, who are not members of the NBM governing bodies, may get involved in socio-political activities, within the limits provided for by law, but for this purpose they shall not use their position within the NBM and shall not refer in any way to the status of NBM employee.

66. The employees, following the opinion of the Ethics Committee on the existence of a potential conflict of interest with external activity, take the necessary measures to avoid the actual conflict of interest in accordance with the provisions of the regulatory framework and internal regulations.

67. The employees carry out external activities outside working hours.

VIII. REPORTING AND EXAMINING BREACHES OF THE CODE

68. **Obligation to report breaches of the Code of Conduct:**

- 1) without prejudice to the obligations laid down by law, the employees shall, in the event of having information on violations of this Code, communicate this fact to the Ethics Committee in accordance with the regulatory framework and internal regulations,
- 2) all reports, notes, information shall be examined confidentially. The employees shall not suffer any disadvantage, favouritism, or discrimination in their careers as a result of reports, notes or information made prior to an internal investigation initiated by the order of the Governor,

3) under the terms of the Anti-Fraud Policy, information regarding fraud or other related violations may be reported through the fraud reporting channels.

69. Recording and examining breaches of the Code of Conduct:

1) the compliance function is responsible for recording incidents of non-compliance with the rules of ethics and professional conduct in the *Electronic Incident Register* with assurance of data confidentiality, based on information received from the employees or other available sources, in accordance with internal regulations on incident management,

2) the compliance function submits information on recorded incidents to the Ethics Committee for review, finding that the conditions for disciplinary misconduct have been met, which, in turn, issues recommendations on remedial measures or sanctions, as appropriate, within **10 working days** of their recording,

3) other subdivisions may be involved in the examination of incidents of non-compliance with the rules of ethics and professional conduct by the employees, as appropriate,

4) the incidents of non-compliance with the rules of ethics and professional conduct by employees are reported semi-annually to the AC, EC and SB through the incident reporting process established by the Operational Risk Management Framework in the NBM.

70. In addition to those stipulated in paragraph 69, in the case of major incidents of non-compliance with the rules of ethics and professional conduct, the compliance function shall promptly report to the Governor in accordance with the NBM's internal regulations, and subsequently to the EC member supervising the activity of the subdivision.

71. The violation of the provisions of this Code is liable to disciplinary action. In cases where the acts committed meet the constituent elements of misdemeanours or offences, the competent authorities shall be referred to the competent authorities, in accordance with the law.

IX. COMMUNICATION OF THE PROVISIONS OF THE CODE

72. The provisions of this Code shall be brought to the attention of employees, under signature, as follows:

1) for existing employees, by senior managers on the date of entry into force of this Code,

2) for newly hired employees, by the Department of Strategy, Organisation and Human Resources before they start their activity.

73. In addition, this Code shall be brought to the attention of employees through regular training, publication on the internal website, dissemination, etc.

74. This Code shall be brought to the attention of the persons who will act on behalf of the NBM, prior to the conclusion of the acts giving rise to legal relations or prior to the establishment of relations giving rise to the right to act on behalf of the NBM, by the head of the subdivision benefiting from the respective activity or by the head of the International Relations and European Integration department, in the case of technical assistance projects received by the NBM from external donors, with the subsequent signing of the declaration set out in the Annex.

75. This Code shall be brought to the attention of the public by publication on the website of the NBM.

76. Any amendment to the content of the Code shall be subject to the same communication procedures to employees, persons acting on behalf of the NBM and the public.

X. FINAL PROVISIONS

77. In applying this Code, the employees shall consult with the compliance function or the Ethics Committee in accordance with the responsibilities set out in Chapter III. In cases of disagreement with the opinion of the Ethics Committee, the employees may request the opinion of the EC, which shall issue a decision on the matter within 15 working days.

78. Notifications, requests for opinions and communications to the Ethics Committee and the EC are submitted through the compliance function.

79. The Code shall be reviewed periodically, considering modifications in the organisational governance of the NBM, the legal framework and best practices in the field.

To the Governor of the National Bank of Moldova

DECLARATION
on compliance with the Code of Ethics and Professional Conduct of
the National Bank of Moldova

The undersigned, _____
(*surname, given name, position (if applicable)*)

declare that I am aware of the provisions of the Code of Ethics and Professional Conduct of the NBM (Code), and in my capacity as a person acting on behalf of the National Bank of Moldova I **undertake, in the activity conducted on behalf of the NBM:**

1. To comply fully with the provisions of the Code, applying the principles of professional conduct: *legality; professional integrity; diversity, fairness, and inclusiveness; independence; professionalism; loyalty; social responsibility.*
2. To avoid conflicts of interest that may arise and to declare, in writing, to the Governor, without undue delay, any situation that may cause or be perceived as a potential conflict of interest, as well as actual conflicts of interest.
3. To reject any improper influence and to conduct my activity lawfully, and in the event of inability to reject improper influence and impairment of activity, I will file a notice with the Governor, within 3 business days of the exercise of improper influence.

date

signature