



## **ASIAN INFRASTRUCTURE INVESTMENT BANK**

### **CODE OF CONDUCT FOR BOARD OFFICIALS**

This Code of Conduct for Board Officials (this Code) has been adopted by the Board of Governors of the Asian Infrastructure Investment Bank (the Bank) to set forth principles and ethical standards for Board Officials in relation to their status and responsibilities in the Bank. This Code shall be binding on Board Officials, as defined below.

This Code supplements the Articles of Agreement of the Bank (the Articles) and the By-Laws of the Bank (the By-Laws), but may not conflict with the provisions therein.

The Board of Governors shall review this Code from time to time and may amend this Code in accordance with the Rules of Procedure of the Board of Governors of the Bank.

#### **SECTION A: DEFINITIONS AND APPLICABILITY**

##### **1. Definitions**

In addition to the terms defined above and in the Articles, the following terms shall have the meanings set forth below:

- (a) “Board Officials” means all Directors and Alternate Directors of the Bank as provided in the Articles of Agreement, and all Temporary Alternate Directors of the Bank as provided in Section 10 (b) of the By-Laws. Board Officials shall also include Constituency Representatives and Alternate Constituency Representatives as provided in Section 12 of the Rules of Procedure of the Board of Directors.
- (b) “Chief Ethics Officer” means the Chief Ethics Officer of the Bank.
- (c) “Committee” means the Human Resources and Budget Committee to be established and maintained by the Board of Directors to carry out, inter alia, the functions set forth in Section D of this Code, and includes any successor committee decided by the Board of Directors.
- (d) “Immediate family members” means the spouse or domestic partner, and dependents of a Board Official.

References to a specific gender shall be equally applicable to any gender.

##### **2. Applicability**

Pursuant to Section 10(i) of the By-Laws, each Director, Alternate Director and Temporary Alternate Director shall observe the highest standards of integrity and ethics and be bound by this Code, including the sanctions set forth in Section D below. Upon taking office, each Director, Alternate Director and Temporary Alternate Director shall sign a copy of this Code, to be deposited with the Corporate Secretary of the Bank.

## **SECTION B: GENERAL PRINCIPLES AND OBLIGATIONS**

### **3. General Standard of Conduct**

- (a) Board Officials shall carry out their responsibilities as prescribed in the Articles, By-Laws, and related documents of the Bank to the best of their ability and judgment. Board Officials shall maintain the highest standards of integrity in their personal and professional conduct and observe principles of good governance. Board Officials shall hold the interests of the Bank paramount over personal interests, and shall avoid conduct that could bring the Bank into disrepute or create the appearance of impropriety.
- (b) As provided in Article 31 of the Articles, neither the Bank nor its officers shall interfere in the political affairs of member countries. Board Officials shall only be influenced in their decisions as Board Officials by economic considerations and shall respect the international character of the duty of the President, officers, and staff of the Bank.
- (c) In accordance with Section 10 (a) of the By-Laws, it is the duty of Board Officials to devote to the activities of the Bank such time and attention as the interests of the Bank may require.

### **4. Local Laws**

- (a) Board Officials shall observe the laws of each jurisdiction in which they are present pursuant to their duties as Board Officials, except as provided by the Articles and other applicable legal instruments, and shall avoid taking or failing to take actions that might be perceived as abusing the privileges and immunities conferred upon the Bank and upon them as Board Officials. This provision does not abrogate or waive any of these privileges or immunities of Board Officials or the Bank or any diplomatic immunities which may be held by Board Officials. The immunities, privileges and exemptions conferred under the Articles may only be waived in accordance with Section 7 of the By-Laws.
- (b) A Board Official shall notify the Committee if he or she is arrested, charged, or convicted of any criminal offenses.

### **5. Conduct within the Bank**

- (a) Board Officials may take appropriate actions at the Bank in the interests of the members of the Bank they represent that are consistent with the rules and procedures of the Bank. Board Officials shall not attempt to exert undue influence on management and staff of the Bank, including with respect to procurement and personnel matters.
- (b) Board Officials shall treat their colleagues and staff with courtesy and respect. Board Officials shall show respect and tolerance for varied cultures, beliefs and backgrounds, and avoid behavior that constitutes harassment or bullying or that could be perceived by others as harassment or bullying.
- (c) Board Officials shall have a duty to report suspected misconduct by staff members or Board Officials as well as any suspected incidence of a prohibited practice under Bank policies, and to refrain from making frivolous or knowingly false allegations. Board Officials shall refrain from any form of retaliation against an individual who provides information in good faith about suspected misconduct in the Bank or who takes part in the Bank's internal dispute resolution system.
- (d) Board Officials may not use intellectual property belonging to the Bank for private benefit

or for the benefit of others except with appropriate authorization from the Bank.

**6. Disclosure of Information**

- (a) Board Officials shall at all times observe the applicable policies of the Bank regarding disclosure of information and public information.
- (b) Board Officials shall protect the security of any non-public information obtained in the performance of their duties as Board Officials and shall use such information or disclose it to others only as required to perform their duties as Board Officials. This subparagraph 6(b) shall continue to apply to Board Officials, without limitation, after their service as Board Officials has ended.
- (c) Board Officials may speak on behalf of the Board of Directors only with its agreement, and shall make clear in what capacity they are speaking when issuing public statements related to the Bank.
- (d) The provisions of this paragraph 6 shall not limit the provision of information by Board Officials to the governments of the members that they represent, as may be required in the course of carrying out their duties as Board Officials.

**SECTION C: CONFLICT OF INTEREST POLICY**

**7. Conflict of Interest**

- (a) A conflict of interest arises when the personal interests of a Board Official interfere in any way with his public duty or with the interests of the Bank.
- (b) An actual conflict of interest involves a conflict between a Board Official's official duties and his personal interests that could interfere with the performance of those official duties. A perceived conflict of interest arises when it could reasonably appear that a Board Official's personal interests could interfere with the performance of his official duties even if this is not in fact the case.

**8. Disclosure of Conflicts of Interest**

- (a) Board Officials shall avoid any situation involving an actual or perceived conflict of interest.
- (b) If an actual or perceived conflict of interest does arise or there is doubt whether a conflict of interest exists, the Board Official concerned shall promptly disclose the matter to the Chief Ethics Officer for guidance. The Board Official shall recuse himself by withdrawing from attendance and participation in deliberations or decision-making connected with that matter, pending guidance from the Chief Ethics Officer. In particular, recusal shall be required where a Board Official or immediate family member has a financial interest in transactions of the Bank or in projects or enterprises involving the Bank, notwithstanding subparagraph 9(b) below.
- (c) Upon election or appointment, Board Officials shall disclose to the Chief Ethics Officer any conflict of interest or potential conflict of interest under this Section C, and shall take such actions to resolve such conflicts as the Chief Ethics Officer shall determine.

**9. Personal Financial Affairs**

- (a) In accordance with procedures to be established by the Board of Directors, Board Officials

shall disclose their financial or business interests and those of their immediate family members. In accordance with such procedures, disclosures shall be made in writing to the Chief Ethics Officer, upon election or appointment, and annually thereafter until service as a Board Official has ended.

- (i) The Chief Ethics Officer shall work with the Board Official concerned to resolve any concerns related to these disclosures and shall promptly inform the Committee of the resolution of such concerns, and any outstanding concerns in accordance with subparagraph 13 (a).
- (ii) This subparagraph 9(a) shall not apply to Temporary Alternate Directors.
- (b) Board Officials shall avoid having any financial interest in transactions of the Bank or in projects or enterprises involving the Bank, except as specified below.
  - (i) A Board Official may acquire for investment purposes and subsequently sell securities issued by the Bank but shall not engage in short-term trading in such securities.
    - (A) “Short-term trading” means any combination of the buying and selling of securities within six months. The buying or selling or a right or obligation to buy or sell securities shall be treated as buying or selling the securities.
  - (ii) A Board Official shall not use any information not generally available to the public to further his private interests or those of any other person or entity.
  - (iii) This subparagraph 9(b) shall apply also to the Board Official’s immediate family members.
- (c) Board Officials shall consult the Chief Ethics Officer for guidance prior to undertaking financial transactions that may be restricted by this paragraph or other provisions of this Code.

## **10. Other Employment and Activities**

- (a) Other employment and activities of Board Officials shall be compatible with the proper discharge of their duties, including the obligations of this Code. To that end, each Board Official shall provide to the Chief Ethics Officer a list of his positions held outside the Bank (including recent former employers), and shall update that list if and when required to reflect changes.
- (b) The following restrictions on matters related to former, potential and future employment shall not apply where the employer is the Bank or another intergovernmental organization, or a member of the Bank (including the member’s political or administrative subdivisions, government, department, agency or other governmental body).
  - (i) **Former Employment.** For a period of one year after election or appointment, a Board Official shall recuse himself from involvement in or influence on matters related to the Bank’s dealings with his former employers and clients.
  - (ii) **Potential Employment.** When negotiating for, or entering into an arrangement concerning, prospective employment outside the Bank for themselves or for their immediate family members, Board Officials shall not allow such circumstances to interfere with the performance of their duties. The Board Official concerned shall

recuse himself from involvement in or influence on matters related to that prospective employer.

**(iii) Future Employment.** For a period of one year following the end of service as a Board Official, a Board Official shall recuse himself from involvement in or influence on matters related to the Bank's dealings with his future employers.

**(c) Employment by the Bank.** Board Officials shall not seek, apply for, or take up appointment to the staff of the Bank while serving as Board Officials or within one year following the end of such service, including consultant appointments and any other remunerated assignments for the Bank.

## **11. Gifts and Entertainment**

**(a)** Board Officials shall strictly avoid acceptance of gifts, hospitality, gratuities, honors, awards, or other benefits in connection with their official duties from any person or entity outside the Bank.

**(b)** Board Officials may, however, accept:

**(i)** tangible items, provided that the value of the item does not exceed US \$100, or such other amount as may be set by the Board of Directors from time to time; and

**(ii)** limited hospitality, provided that the scope and cost of such hospitality is reasonable and customary.

**(c)** Where a gift should not be accepted under subparagraphs (a) or (b) above, but circumstances make it difficult to refuse or decline acceptance of the gift, in particular where such refusal might cause offense or embarrassment to the gift giver or the Bank, a Board Official may accept the gift but shall promptly surrender it to the Bank for charitable donation or display on the premises. Alternatively, the Board Official may be allowed to purchase the gift from the Bank on the basis of an independent appraisal.

## **SECTION D: IMPLEMENTATION AND SANCTIONS**

### **12. Committee**

**(a)** The Board of Directors shall maintain a committee that is empowered, inter alia, to consider matters relating to the implementation, interpretation and application of this Code, including requests for guidance concerning conflicts of interest, annual financial disclosures, or other ethical aspects of conduct in respect of Board Officials, and allegations of misconduct by Board Officials. That committee is referred to here as the Committee.

**(b)** The Board of Directors shall approve rules of procedure for the Committee that are consistent with the Articles, the By-Laws, and this Code. The rules of procedure for the Committee shall include, inter alia, the following:

**(i)** The Committee shall at all times follow a fair process that includes notice to a Board Official accused of misconduct and an opportunity for him to respond to the allegations.

**(ii)** Decisions and guidance from the Committee may be appealed to the Board of Directors.

- (iii) A Committee member may not participate in a matter if said matter involves the Committee member or an Alternate Director or Temporary Alternate Director appointed by him or for him.

### **13. Chief Ethics Officer**

- (a) Where this Code provides for a matter to be brought to the attention of the Chief Ethics Officer, and the matter is not promptly resolved with the Board Official concerned, the Chief Ethics Officer shall bring such matter to the attention of the Committee for resolution. At any time, the Board Official concerned may also bring the matter to the attention of the Committee for resolution.
- (b) Board Officials shall: (i) comply with guidance issued to them by the Chief Ethics Officer and the Committee; and (ii) promptly inform the Chief Ethics Officer or, if applicable, the Committee, of the resolution of any matter in such detail as the Chief Ethics Officer or the Committee shall request.
- (c) For purposes of his responsibilities under this Code, the Chief Ethics Officer shall report directly to the Committee and shall advise the Committee regularly on any matters concerning Board Officials that have been brought to his attention, and their disposition.

### **14. Sanctions**

- (a) The Board of Directors may impose sanctions for violations of this Code, on the basis of a report from the Committee and in line with the severity of the violation and its impact. Sanctions may include reprimand, censure, and mandatory resignation (normally within a specified period of time).
- (b) Before reaching the final decision of the Board of Directors to impose the sanction of mandatory resignation, the Board of Directors shall first seek the views of the members of the Bank represented by the Board Official concerned. A copy of the report of the Committee shall be provided to such members for that purpose.
- (c) Board Officials are bound to comply with sanctions under this Code pursuant to Section 10 (i) of the By-Laws of the Bank.

*(Adopted January 16, 2016 at the Inaugural Meeting of the Board of Governors)*