Cayman Islands Government

Code of Business Ethics and Conduct

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1. Introduction

This section reaffirms the importance of high standards of business conduct. Adherence to this Code of Ethics and Conduct by all employees is the only sure way we can merit the confidence and support of the public.

This code has been prepared as a working guide and not as a technical legal document. Thus, emphasis is on brevity and readability rather than providing an all-inclusive answer to specific questions. For example, the term “employee” is used in its broadest sense and refers to every officer and employee of the Government. The word “law” refers to laws, regulations, orders, etc.

In observance of this code, as in other business conduct, there is no substitute for common sense. Each employee should apply this code with common sense and the attitude of seeking full compliance with the letter and spirit of the rules presented.

It is incumbent upon you, as an employee of the Government to perform satisfactorily and to follow our policies and comply with our rules as they are issued or modified from time to time.

These policies and rules are necessary to effectively manage the Government and meet the ever-changing needs of the marketplace. Good performance and compliance with business rules lead to success. Both are crucial since our ability to provide you with career opportunities depends totally upon our success in the marketplace. Nonetheless, changes in our economy, our markets and our technology are inevitable. Indeed, career opportunities will vary between the individual companies. For these reasons, we cannot contract or even imply that your employment will continue for any particular period of time. While you might terminate your employment at any time, with or without cause, we reserve that same right. This relationship might not be modified, except in writing signed by an appropriate representative of the Government.

This Code of Ethics and Conduct is a general guide to acceptable and appropriate behavior at the Government and you are expected to comply with its contents; however, it does not contain all of the detailed information you will need during the course of your employment. Nothing contained in this code or, in other communications, creates or implies an employment contract or term of employment. We are committed to reviewing our policies continually. Thus, this code might be modified or revised from time to time.

You should familiarize yourself with this code so that you might readily distinguish any proposal or act that would constitute a violation. Each employee is responsible for his actions. Violations can result in disciplinary action, including dismissal and criminal prosecution. There will be no reprisal against an employee who in good faith reported a violation or suspected violation.
The absence of a specific guideline practice or instruction covering a particular situation does not relieve an employee from exercising the highest ethical standards applicable to the circumstances.

If any employee has doubts regarding a questionable situation that might arise, that employee should immediately consult his supervisor or higher level.

2. Reference Documents

- Fraud Risk Management System Policy
- Public Service Management Law (2013 Revision), Part ii
- Register of Interest Policy
- Policy On Offering and Receiving Hospitality, Entertainment or Gifts

2.1. Compliance with Laws and Regulatory Orders

The Government must comply with all applicable laws and regulations. Each employee is charged with the responsibility of acquiring sufficient knowledge of the laws and orders relating to his duties in order to recognize potential dangers and to know when to seek legal advice.

In particular, when dealing with public officials, employees must adhere to the highest ethical standards of business conduct. When we seek the resolution of regulatory or political issues affecting the Government’s interests we must do so solely on the basis of merit and pursuant to proper procedures in dealing with such officials. Employees may not offer, provide or solicit, directly or indirectly, any special treatment or favor in return for anything of economic value or the promise or expectation of future value or gain.

3. Conflicts of Interest

There are several situations that could give rise to a conflict of interest. The most common are accepting gifts from suppliers, employment by another organisation, ownership of a significant part of another organisation or business, close or family relationships with outside suppliers and communications with competitors. A potential conflict of interest exists for employees who make decisions in their jobs that would allow them to give preference or favor to a customer in exchange for anything of personal benefit to themselves or their friends and families.

Such situations could interfere with an employee’s ability to make judgments solely in the Government’s best interest.
3.1. Private Gainful Activity

Employees must not conduct private gainful activity:

- Without the explicit approval of the Chief Officer of the Government and/or
- In a manner which would affect their objectivity in carrying out their Government responsibilities and/or
- Where the private gainful activity would conflict with scheduled hours, including overtime, or the performance of the Government assignments. Employees must not use Government time, materials, information or other assets in connection with private gainful activity.

3.2. Relationships with Suppliers and Customers

Business transactions must be entered into solely for the best interests of the Government. No employee can, directly or indirectly, benefit from his position as an employee or from any sale, purchase or other activity of the Government. Employees should avoid situations involving a conflict or the appearance of conflict between duty to the Government and self-interest.

No employee who deals with individuals or organizations doing or seeking to do business with the Government, or who makes recommendations with respect to such dealings, should:

- Serve as an officer, director, employee or consultant; or
- Own a substantial interest in any organization doing or seeking to do business with the Government. Substantial interest means an economic interest that might influence or reasonably be thought to influence judgment or action, but shall not include an investment representing less than 1% of a class of outstanding securities of a publicly held corporation. Every employee must complete the Register of Interest as necessary.

In addition, no employee who deals with individuals or organizations doing or seeking to do business with the Government, or who makes recommendations with respect to such dealings, might:

- Have any other direct or indirect personal interest in any business transactions with the Government (other than customary employee purchases of Government products and services as consumers and transactions where the interest arises solely by reason of the employee relationship or that of a holder of securities);
- Provide telecommunications or information service or equipment, either directly or as a reseller in a manner that would place the objectivity or integrity of the Government in question.

Our policy is that employees will not do business on behalf of the Government with a close personal friend or relative; however, recognizing that these transactions do occur, they must be reported on the Conflict of Interest Questionnaire.
This policy is applicable equally to the members of the immediate family of each employee, which normally includes your spouse, children and their spouses, and the father, mother, sisters and brothers of yourself and your household.

3.3. Employment of Relatives

Relatives of employees will not be employed on a permanent or temporary basis by the Government where the relative directly reports to the employee or the employee exercises any direct influence with respect to the relative’s hiring, placement, promotions, evaluations or pay.

4. Gifts and Entertainment

4.1. Gifts

Gifts and entertainment is covered under the Policy On Offering and Receiving Hospitality, Entertainment or Gifts. Please refer to that policy for the limits, terms and conditions. It should be treated as a full component of this policy.

4.2. Definition of Supplier

“Supplier” includes not only vendors providing services and material to the Government, but also consultants, financial institutions, advisors, and any person or institution which does business with the Government.

5. Confidential Information and Privacy of Communications

5.1. Confidential Information

Confidential information includes all information, whether technical, business, financial or otherwise concerning the Government, which the Government treats as confidential or secret and/or which is not available or is not made available publicly. It also includes any private information of, or relating to, customer records, fellow employees, other persons or other companies, and national security information obtained by virtue of the employee’s position.

Government policy and various laws protect the integrity of the Government’s confidential information which must not be divulged except in strict accordance with established Government policies and procedures. The obligation not to divulge confidential Government information is in effect even though material might not be specifically identified as confidential and the obligation exists during and continues after employment with the Government.
A few examples of prohibited conduct are:

- Selling or otherwise using, divulging or transmitting confidential Government information;
- Using confidential Government information to knowingly convert a Government business opportunity for personal use;
- Using confidential Government information to acquire real estate which the employee knows is of interest to the Government;
- Using, divulging or transmitting confidential Government information in the course of outside employment or other relationship or any succeeding employment or other relationship at any time; and

Employees shall not seek out, accept or use any confidential Government information of or from a competitor of the Government. In particular, should we hire an employee who previously worked for another organization, we must neither accept nor solicit confidential information concerning that entity from our employee.

5.2. **Classified National Security Information**

Only employees with proper government clearance and a need to know have access to classified national security information of any domestic or foreign government entity. Government regulations outlined in Government instructions for safeguarding must be followed. Disclosing such information, without authorization, even after leaving employment, is a violation of law and this code.

Adverse information about employees having government clearance must be reported to the Deputy Governor’s representatives having responsibility for clearances.

6. **Government Assets**

6.1. **Cash and Bank Accounts**

All cash and bank account transactions must be handled so as to avoid any question or suspicion of impropriety. All cash transactions must be recorded in the Government’s books of account.

All accounts of Government funds, except authorized petty cash imprest funds, shall be established and maintained in the name of the Government and might be opened or closed only on the authority of the Chief Officer and Chief Financial Officer. Imprest funds must be maintained in the name of the custodian and the custodian is wholly responsible for these funds. All cash received shall be promptly recorded and deposited in a Government bank account. No funds shall be maintained in the form of cash, except authorized petty cash. Payments into numbered bank accounts by the Government might leave that Government open to suspicion of participation in a possibly improper transaction. Therefore, no disbursements of any nature might be made into numbered bank accounts or other accounts not clearly identified to the Government as to their ownership.
No payments can be made in cash (currency) other than normal disbursements from petty cash supported by signed receipts or other appropriate documentation. Further, corporate cheques shall not be written to “cash,” “bearer” or similar designations.

6.2. Government Assets and Transactions

Compliance with prescribed accounting procedures is required at all times. Employees having control over Government assets and transactions are expected to handle them with the strictest integrity and ensure that all transactions are executed in accordance with management’s authorization. All transactions shall be accurately and fairly recorded in reasonable detail in the Government’s accounting records.

Employees are personally accountable for Government funds over which they have control. Employees who spend Government funds should ensure the Government receives good value in return and must maintain accurate records of such expenditures. Employees who approve or certify the correctness of a bill or voucher should know that the purchase and amount are proper and correct. Obtaining or creating “false” invoices or other misleading documentation or the invention or use of fictitious sales, purchases, services, loans, entities or other financial arrangements is prohibited.

Employees must pay for personal telephone calls and use, except to the extent that specifically defined benefit programs or allowances otherwise provide.

7. Expense Reimbursement

Expense actually incurred by an employee in performing Government business must be documented on expense reports in accordance with Government procedures. In preparing expense reports, employees should review these procedures for the documentation in order to be reimbursed for business expenses.

7.1. Government Credit Cards

Government credit cards are provided to employees for convenience in conducting Government business. No personal expenses can be charged on Government credit cards. Government credit cards should not be used to avoid preparing documentation for direct payment to vendors. Where allowed by local law, charges on Government credit cards for which a properly approved expense report has not been received at the time of an employee’s termination of employment might be deducted from the employee’s last paycheck. The Government will pursue repayment by the employee of any amounts it has to pay on the employee’s behalf.

Refer to CIG Credit Card Policy for further guidance.
8. **Software and Computers**

Computerized information and computer software appear intangible, but they are valuable assets of the Government and must be protected from misuse, theft, fraud, loss and unauthorized use or disposal, just as any other Government property.

Employees must not access Government records of any kind for their personal use. Misappropriation of computer space, time or software includes, but is not limited to, using a computer to create or run unauthorized jobs, operating a computer in an unauthorized mode or intentionally causing any kind of operational failure.

Personal computers can be used for Government-sanctioned education programs as well as personal use incidental to Government business use with the permission of your supervisor. However, personal use cannot be allowed for personal financial gain.

It is also understood that personal computers will occasionally be used at home with the permission of your supervisor.

9. **Employee Conduct**

9.1. **Conduct on Government Business**

Dishonest or illegal activities on Government premises or while on Government business will not be condoned and can result in disciplinary action, including dismissal and criminal prosecution. The following illustrates activities that are against Government policy, and which will not be tolerated on Government premises, in Government vehicles or while engaged in Government business:

- Consumption and storage of alcoholic beverages, except where legally licensed or authorized by an officer of the Government.
- The use of controlled substances, such as drugs or alcohol. The unlawful manufacture, distribution, dispensation, possession, transfer, sale, purchase or use of a controlled substance.
- Driving vehicles or operating Government equipment while under the influence of alcohol or controlled substances.
- Illegal betting or gambling.
- Carrying weapons of any sort on Government premises, in Government vehicles or while on Government business. Even employees with permits or licenses cannot carry weapons on Government property or while on Government business.

The Government reserves the right to inspect any property that might be used by employees for the storage of their personal effects. This includes desks, lockers and vehicles owned by the Government. It is a violation of Government policy to store any contraband, illegal drugs, toxic materials or weapons on Government property.
10. Reporting Violations

All employees are responsible for compliance with these rules, standards and principles. In the area of ethics, legality and propriety, each employee has an obligation to the Government that transcends normal reporting relationships. Employees should be alert to possible violations of the code anywhere in the Government and are encouraged to report such violations promptly. Reports should be made to the employee’s supervisor, the appropriate security, audit, or legal department personnel, or elsewhere as the circumstance dictates or through whistle blowing facilities. Employees will also be expected to cooperate in an investigation of violations. In addition, any employee who is convicted of a felony, whether related to these rules or not, should also report that fact.

All cases of questionable activity involving the code or other potentially improper actions will be reviewed for appropriate action, discipline, or corrective steps. Whenever possible, the Government will keep confidential the identity of employees about or against whom allegations of violations are brought, unless or until it has been determined that a violation has occurred. Similarly, whenever possible, the Government will keep confidential the identity of anyone reporting a possible violation. Reprisal against any employee who has, in good faith, reported a violation or suspected violation is strictly prohibited. Please refer to the Whistleblower Policy.

All employees are required to notify the Government within five (5) days of any conviction of any criminal statute violation occurring on the job. In addition, any employee who is convicted of a felony, whether related to these rules or not, should report that fact.

11. Discipline

Violation of this code can result in serious consequences for the Government, its image, credibility and confidence of its customers and can include substantial fines and restrictions on future operations as well as the possibility of fines and prison sentences for individual employees. Therefore, it is necessary that the Government ensure that there will be no violations. Employees should recognize that it is in their best interest, as well as the Government’s, to follow this code carefully.

The amount of any money involved in a violation might be immaterial in assessing the seriousness of a violation since, in some cases, heavy penalties might be assessed against the Government for a violation involving a relatively small amount of money, or no money.

Disciplinary action should be coordinated with the appropriate Human Resources representatives in accordance with the Public Service Management Law. The overall seriousness of the matter will be considered in setting the disciplinary action to be taken against an individual employee. Such action, which might be reviewed with the appropriate Human Resources organization, might include:

- Reprimand
- Probation
- Suspension
- Reduction in salary
• Demotion
• Combination of the above
• Dismissal

In addition, individual cases might involve:

• Reimbursement of losses or damages
• Referral for criminal prosecution or civil action
• Combination of the above

Disciplinary action might also be taken against supervisors or executives, who condone, permit or have knowledge of illegal or unethical conduct by those reporting to them and do not take corrective action. Disciplinary action might also be taken against employees who make false statements in connection with investigations of violations of this code.

The Government in its sole discretion will determine the disciplinary action appropriate to a given matter. The listing of possible actions is informative only and does not bind the Government to follow any particular disciplinary steps, process or procedure.

The Government’s rules and regulations regarding proper employee conduct will not be waived in any respect. Violation is cause for disciplinary action including dismissal. All employees will be held to the standards of conduct described in this Policy.

The Government never has and never will authorize any employee to commit an act that violates this code or to direct a subordinate to do so. With that understood, it is not possible to justify commission of such an act by saying someone directed it in higher management.

12. Compliance Letter and Conflict of Interest Questionnaire (Register of Interest)

Annually, all officers of the Government will represent in writing that there are no violations of this code known to the officer, after the exercise of reasonable diligence, or if such violations have been committed, to disclose such violations in a format to be specified.

Annually, each employee will review the Code of Business Ethics and Conduct, sign the code’s Acknowledgment form and complete and sign the Conflict of Interest Questionnaire. If the employee’s circumstances change at any time, a new Conflict of Interest Questionnaire or letter of explanation must be completed.

The Code of Business Ethics and Conduct Acknowledgment form should be signed (wet or electronic) and given to your supervisor for inclusion in your personnel file.