

CODE OF ETHICS COMMUNICATION

Mr. Speaker:

I now present the Code of Ethics that will be applicable to all Ministers and Parliamentary Secretaries of my Government. As foreshadowed in the Speech from the Throne at the Opening of Parliament, the Code of Ethics is intended to receive wide public circulation so that our citizenry can be fully enlightened as to its terms. To facilitate this the Code of Ethics is enshrined in this Communication.

"CODE OF ETHICS FOR MINISTERS & PARLIAMENTARY SECRETARIES"

Note:

- (1) References in this Code to "Ministers" should be understood to include Parliamentary Secretaries,
- (2) References to the "Government" include public corporations; companies in which the Government directly or indirectly holds an interest; and Government agencies, boards and committees,
- (3) References to the masculine gender include the feminine gender.

If public confidence in the integrity of the political directorate of The Bahamas is to become a hallmark of our political culture, it is of the first importance that the Prime Minister and other Ministers of Government observe - and be seen to observe - the highest standards of probity in public life. This can only be achieved if Ministers:

- o hold their positions and powers in trust for the benefit of the Bahamian people;
- o devote themselves to ministerial service as a full-time occupation;
- o avoid any material conflict between their private interests and their public duties;
- o avoid using their ministerial status or influence for the enrichment of themselves or their families;
- o avoid all forms of ethically improper behaviour including the solicitation or acceptance of personal gifts or loans from organizations or individuals who are seeking to obtain or retain the patronage or favour of the Government.

Observance of this Code of Ethics should therefore be understood to be absolutely essential to ministerial service with integrity.

UPON ASSUMING OFFICE

1. Ministerial service is a full-time calling. Thus, private work, whether remunerated or not, must be discontinued upon the assumption of ministerial office. If a Minister requires a reasonably short period of time in order to attend to transitional matters arising out of his separation from the business or profession in which he was formerly engaged, this should be reported without delay to the Prime Minister who will ordinarily allow the relevant Minister to attend to transitional matters but only on condition that it does not take the Minister away from his official duties and is completed as rapidly as possible.
2. As soon as he is appointed, a Minister must resign from any other public office to which he was previously appointed. He must also resign as director and/or officer of all public or private companies or associations. The only permissible exceptions to the foregoing are personal or family holding companies that are not involved in any business or trade; and charitable, religious or non-profit organizations. The Prime Minister should nonetheless be advised of these exceptions and his approval obtained.
3. On his appointment, a Minister should carry out a thorough review of his personal holdings and if it appears that there could be a conflict of interest, he must divest himself of the relevant holdings as soon as reasonably practicable unless he falls within any of the exceptions stated in any of the ensuing paragraphs.
4. A Minister who before his appointment was self-employed; engaged in a profession or business, whether individually, in partnership, through a company, trust or some other legal form, is not necessarily required to dispose of his interest but he must make the necessary arrangements immediately, to ensure that:
 - (i) he dissociates himself from the management of the relevant partnership, company or business;
 - (ii) he causes the relevant partnership, company or business to either remove his name from all business letterheads or amend the same to reflect his inactive status;
 - (iii) he ceases to participate in the profits of the partnership, company or business after his appointment as Minister except for an amount each year considered as due to him in return for his previous investment.
5. Ministers who have direct contractual relationships with the Government must terminate such relationships upon assuming office unless the nature of the relationship has been fully disclosed in accordance with law and termination would, in the Prime Minister's view not be in the public interest. The views of the Prime Minister in this regard should be conclusive.

6. Ministers who hold shares or other equity in companies that have contractual relationships with the Government must divest themselves of such interest upon assuming office. It is recognized that market conditions or the nature of the company's business may be such as to make outright disposal impractical. Such cases should be brought to the attention of the Prime Minister who, if satisfied that outright disposal is impractical, will generally advise the Minister to divest himself of his interest by transferring the same to a "blind trust". Such a trust should be administered by a trustee not related to the Minister. Further, the trust should prohibit the Minister or any of his immediate relations from exercising any power or giving any direction concerning the trust during the period of ministerial service.
7. Ministers who hold shares in public companies may choose to divest themselves of such shares either by way of outright sale or by transfer to a blind trust as explained above. This requirement does not apply where in the view of the Prime Minister the shares are not of significant value.

WHILE IN OFFICE

8. While in office, Ministers should take great care not to make investments which could result in a conflict of interest. In particular, it should be considered a flagrant breach of this Code of Ethics if a Minister, either directly or indirectly, uses "insider information" to make speculative investments in the securities market or to obtain some advantage for himself, a family member or associate in advance of an imminent change in Government policy or revenue measures.
9. Whenever Cabinet is due to discuss any matter that could affect the private interest of a Minister, that Minister should declare his interest and withdraw from the meeting for the duration of the discussion.
10. Where a Minister is called upon to exercise any power or discretion which could give rise to a conflict of interest, he should immediately inform the Prime Minister and refrain from taking any action in the meantime.
11. A Minister should neither nominate nor support the nomination of any person for any local or international prize or honour without the approval of the Prime Minister.
12. Ministers must avoid recommending their former firms or businesses to persons seeking the Government's favour or continued favour.
13. Ministers should be careful to distinguish between their Ministerial status and their co-existing status as Members of Parliament especially in relation to employment related references.
14. Ministers should not accept gifts that might be perceived to create an obligation to the donor.

Mr. Speaker:

It will be readily appreciated from the Code of Ethics that I have just communicated to this Honourable House that I have been faithful to my Party's campaign pledge, as reiterated in the Speech from the Throne, Very soon, this Code will be buttressed by a bill for an Integrity in Public Life Act.

25th June 2002