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Protecting digital trust

Board Conflict of Interest Policy

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About this policy

This document describes the Conflict of Interest Policy (the “Policy”). The Policy relates to encouragement of GLEIF Board Members to avoid or disclose unavoidable Conflicts of Interest.

Change History

This section records the history of all changes to this document.

Date	Version	Description of change	Author
2023-02-03	1.1	1.3 included civil partnership	Sven Schumacher
2014-06-20	1.0	Draft	Thomas Sprecher

Where changes are made for clarity and reading ease only and no change is made to the meaning or intention of this document, the version number will be increased by 0.1.

Where significant changes are made to this document, the version number will be incremented by 1.0.

1 Overview

1.1 Purpose

This Policy was adopted in accordance with Article 18 of the GLEIF statutes and Article VI.2 of the By-Laws. The purpose of this Policy is to protect the interests, integrity, and reputation of GLEIF and the Board's decision-making processes, by establishing procedures to identify, evaluate and address any actual, perceived or potential Conflicts of Interest that may arise. The Policy is intended to supplement, and not replace, any relevant local laws regarding Conflicts of Interest.

1.2 Scope

The Policy applies to persons in the following roles:

- Board Members;
- Board Secretary;
- Family members of the above-mentioned persons; and
- CEO and members of management team to the extent that they are involved in Board decisions.

1.3 Definitions

Terms found in this Policy will have the same meaning as they do within the GLEIF's statutes. Further, the following definitions will apply:

1.3.1 Conflict of Interest

A Conflict of Interest arises where an outside or personal interest influences or has the potential to influence the ability of a person in scope (see 1.2) (a "Person") to exercise impartial judgment in the best interests of GLEIF.

A Person is considered to have a potential Conflict of Interest if one of the following conditions is met:

- The Person or any Family Member may receive a financial or other material benefit as a result of the Person's position on the Board or at GLEIF; or
- The Person has the opportunity to influence GLEIF's material decisions in a manner that leads to a personal gain or advantage to themselves, any Family Member, or an organization with which they are affiliated; or
- The Person has the opportunity to influence GLEIF's material decisions in a manner that creates the perception that the Person is using his or her position in GLEIF for such organizational or personal gain; or
- The Person has an existing or potential financial or other personal interest which impairs or has the appearance of impairing the Person's independence in carrying out his or her responsibilities to GLEIF.



In addition, a Conflict of Interest can be direct or indirect, depending on if the Person benefits directly or indirectly from a decision, contract or policy.

1.3.2 Family Member

Family Member means any spouse, partner or civil partner, parent, sibling, child, or any other relative who resides in the same household, and any other familial or social relationships that could create the appearance of a Conflict of Interest.

2 Policy

Conflicts of Interest of varying degrees of significance and nature are an unavoidable reality in the conduct of GLEIF's operations. A Conflict of Interest may not be inherently unethical, but those involved in decision-making processes on behalf of GLEIF must take appropriate action to ensure disclosure of any actual, perceived or potential Conflicts of Interest.

As a result, GLEIF will be able to properly manage Conflicts of Interest and thus mitigate the operational and reputational risks inherent in such conflicts. A culture of openness and accountability is essential in order to prevent such situations occurring and to address them when they occur.

2.1 Examples of Conflicts of Interest

The following activities illustrate types of potential or actual Conflicts of Interest that should be avoided and, if not capable of being avoided, disclosed, as applicable, in accordance with this Policy. The list is not exhaustive and is intended to provide guidance.

2.1.1 Self-benefit/Benefit of Family Members

Using your position or relationship within GLEIF to promote your own interests or those of your family, employer or company, including using confidential or privileged information gained in the course of serving as a Board Member of GLEIF for personal benefit or gain or for the personal gain or benefit of Family Members.

2.1.2 Influence peddling

Soliciting benefits for yourself or a Family Member from an outside organization in exchange for using your influence to advance the interests of that organization within GLEIF.

2.1.3 Other business relationships and dealings

Approving grants or contracts with organizations in which you or a Family Member have a material financial or other interest or relationship, particularly if you are: (i) in a position to influence major decisions; (ii) responsible for review, negotiation and approval of the grants or contracts; or (iii) otherwise direct GLEIF's business dealings with that business or entity.



2.1.4 Use of GLEIF property for personal advantage

Using or misappropriating GLEIF resources, including facilities, equipment, personnel, and supplies, for private use or other unauthorized non-foundation activities.

2.1.5 Recording or reporting false information

Misrepresenting, withholding, or falsifying information required to be reported to external parties or used internally for decision-making purposes, in order to derive personal benefits.

2.1.6 Dealings with grantees

Personally accepting anything of value from organizations or individuals that either: (i) have grant proposals pending before GLEIF; or (ii) have previously received grants from GLEIF.

2.2 Disclosure of Conflicts of Interest

A Person must disclose immediately any real or perceived Conflict of Interest, including those that derive from Family Members, and the nature of such interest whenever the Person becomes aware that a Conflict of Interest exists, could be perceived to exist, or is reasonably likely to occur.

Such Conflicts must be disclosed to the Chairman of the Board (the "Chair"). In case of unavailability of the Chair, or if the Conflict relates to the Chair, the Conflict of Interest shall be disclosed to the Vice Chair or the Chair of the Governance Committee (the "Committee").

If a Conflict of Interest arises during the course of a Board meeting, a Committee meeting or workshop, the Person must disclose it to the Chair of the meeting in advance of any discussion of the relevant agenda item.

2.3 Management of Conflicts of Interest

Conflicted Board Members shall abstain from voting on Board resolutions directly and individually affecting themselves (Article 15 Statutes). This also applies for Board Committee resolutions.

- When a potential Conflict of Interest is disclosed, the Board or Committee will provide the Board Member concerned with an opportunity to disclose all the material facts.
- The Board or Committee will review the relevant information and may decide to question the relevant parties where that is deemed appropriate. If it transpires that a Conflict of Interest does not exist, the inquiry will be documented but no further action will be required.
- If the Board or Committee decides that a Conflict of Interest exists, it will take the appropriate and proportionate measures to address the Conflict. This could include, but is not limited to, prohibiting the Board Member from voting on any matter related to the Conflict of Interest. The Board Member will be excused from all deliberations related to the resolution of the Conflict of Interest.

2.4 Disciplinary Action

If the Board or Committee reasonably believe that a Person has failed to disclose an existing or potential Conflict of Interest, it shall inform the Person of the basis of such belief and grant them an opportunity to explain the alleged failure to disclose the Conflict.

Having heard representations from the Person, and the testimony of other witnesses as appropriate, the Board or Committee may take appropriate disciplinary action, including removal from their role as a Board Member.

2.5 Interpretation

This Policy cannot describe all Conflicts of Interest situations that may arise involving GLEIF. Therefore, all Persons bound by this Policy according to 1.2 must use good judgment to avoid any appearance of impropriety. Appropriate circumstances may also justify exceptions to the application of the Policy.

The “Recommendation of the Council on OECD Guidelines for Managing Conflict of Interest in the Public Service”¹ in their then valid version can be consulted in the decision-making process.

If you have any questions about this Policy or its application, please err on the side of caution and transparency and seek advice from the Board Secretary or the Chief Compliance Officer prior to entering into such transaction.

2.6 Reports

Annually, each Board Member and the Board Secretary will submit a statement regarding their actual or potential Conflicts of Interest to the Chair, to be distributed to the Board and to the Regulatory Oversight Committee. Failure to sign the annual report does not nullify the Policy.

2.7 Supporting Policies and Procedures

Separate policies, processes, procedures and guidelines designed to support, and achieve compliance with this Policy shall be developed, as appropriate, by GLEIF. The following “Related Documents” table will be maintained and updated accordingly.

Related Documents

Document Name	Document Type
Board of Directors’ Expense Report Form	Form

Record Retention Period: 10 years or local legal requirements, whichever is longer.

¹ <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0316>

3 Implementation Responsibilities

The Chair is responsible for the implementation of this Policy and related procedures as described.

4 Effective Date

This Policy shall enter into force with its publication.

