



Geneva, 22 February 2011

SERVICE ORDER NO. 11/03

ITU POLICY ON FINANCIAL DISCLOSURE

In accordance with the provisions of the Constitution of ITU, the ITU Staff Regulations and Staff Rules, the Code of Ethics for ITU Personnel and the Standards of Conduct for the International Civil Service, service with the ITU is subject to the highest standards of conduct and integrity.

Financial management must be conducted in accordance with the strictest ethical standards. It is essential that all activities be carried out in a manner above reproach, with complete impartiality and with no preferential treatment. To protect the best interests of ITU, any conflict of interest, perception of a conflict of interest or situations with the potential for a conflict of interest must be avoided. All staff members are reminded that they have a responsibility to disclose all situations with the potential for a conflict of interest, or a perception thereof, and to refrain from any further involvement in these situations.

In accordance with the adoption of the Basic Elements for an ITU Policy on Financial Disclosure by the ITU Council at its 2009 session¹ and for the purpose of ensuring full compliance with ITU Staff Regulations 1.4, 1.6, 1.7, 1.8, 1.9, 1.11 and Staff Rule 12.1.6, the present Service Order promulgates ITU's policy on financial disclosure and the procedures that have been put in place for making financial disclosures and for reporting gifts and conflicts of interest.

The Ethics Officer has been instructed to provide confidential guidance and advice to all staff members in this respect. The Ethics Officer should also draw attention to any conflicts or potential conflicts of interest evident in financial disclosures. Staff members are encouraged to seek such guidance and advice when confronted by a situation that could lead to a conflict of interest or perception thereof. These ethics functions will be strengthened by an outreach and training programme in cooperation with the Human Resources Management Department.

When performing his/her duties, the Ethics Officer will be independent of any official, Bureau department, or other organizational entity of ITU and will report directly to the Secretary-General.

Dr. Hamadoun I. Touré
Secretary-General

General distribution

¹ Recommendation in § 16.5 of the Report by the Chairman of the Standing Committee on Administration and Management (Document C09/104), as amended at the 10th and Final Plenary Meeting (Document C09/121), page 4.

Financial disclosure statement

Section 1

Definitions

The following definitions shall apply for the purposes of the present policy:

- (a) *Spouse*: an individual whose personal status has been recognized as such for purposes of ITU entitlements;
- (b) *Stock option*: an agreement between a staff member and a company which gives the staff member the right to buy the company shares at a specified price² during a future period in time.

Section 2

Obligation to file a financial disclosure statement

2.1 The following staff members shall make financial disclosures annually and more often as required:

- (a) All Elected Officials, as well as D.2 and D.1 staff;
- (b) All staff members who are procurement officers or whose principal occupational duties relate to procurement decisions of goods and services for ITU;
- (c) All staff members who are involved in the functioning of the ITU Contracts Committee;
- (d) All staff members whose principal occupational duties relate to investing or managing financial assets of ITU, the United Nations Joint Staff Pension Fund or of any accounts for which ITU has fiduciary or custodial responsibility;
- (e) Other staff members whose direct access to confidential procurement or investment information warrants the filing of a financial disclosure statement;
- (f) All professional staff of the Internal Audit Unit;
- (g) The Ethics Officer and all professional staff members of the Ethics Office; and
- (h) Any person offered an appointment at a level or position that would require disclosure pursuant to this Section.

2.2 The Director of each Bureau and head of department of the General Secretariat will assist in determining, in accordance with guidelines issued by the Ethics Officer, the staff members who shall file financial disclosure statements under sections 2.1 (e) above.

Section 3

² If the company's share price rises above the specified price in the stock option, the staff member would experience a direct financial benefit in exercising the stock option. This would give staff holding such a stock option an incentive to behave in ways that will boost the company's share price.

Scope of financial disclosure statements with respect to a staff member and spouse

3.1 A staff member who is required to file a financial disclosure statement under Section 2.1 above shall disclose the following in respect of self and spouse:

- (a) Assets³ held that have a market value of CHF 20,000 or above per asset, or the equivalent in local currency at the operational rate of exchange. Assets include but are not limited to stocks, bonds, mutual fund investments and real estate held for business purposes. Personal property⁴ need not be disclosed unless it is held for business purposes;
- (b) Any profit of more than CHF 20,000 on the sale of personal property that is held for business purposes;
- (c) All stock options, publicly listed or private, regardless of value;
- (d) Income earned from sources other than ITU, if the total of all such income is over CHF 20,000 in the reporting period;
- (e) A spouse's financial or other interest in, or association with, any entity with which the staff member may be required, directly or indirectly, to have dealings on behalf of ITU, or any entity which has any commercial interest in the work of ITU or a common area of activity with ITU.
- (f) Any gift, reimbursements, entertainment, travel expenses, favour, benefit, remuneration or in kind contribution of CHF 250 or more from a source related to ITU activities.

3.2 Any airfares, travel expenses, accommodation, meeting costs, per diem paid to allow officially approved missions are not required to be disclosed.

Outside activities and interests

3.3 A staff member who is required to file a financial disclosure statement under Section 2.1 above shall also disclose the following:

- (a) Any leadership or policymaking role of the staff member in any non-ITU entity, including membership on any corporate board;
- (b) Any possible conflicts of interest which may arise in the normal course of their work;
- (c) Any financial or other interest in, or association with, any entity with which the staff member anticipates he or she may be required to have official dealings on behalf of ITU, or any entity that has a commercial interest in the work of ITU or a common area of activity with ITU;
- (d) Any involvement of the staff member in any other outside activity⁵, which could have an impact on

³ Staff members should be especially aware of Staff Regulation 1.6 (b) prohibiting staff members, inter alia, from having financial or commercial interest whatsoever in any enterprise concerned with telecommunications or having commercial relations with the Union.

⁴ Such as real estate, motor vehicles, boats, livestock, furniture, carpets, jewelry and art.

the objectivity and independence of the staff member in the specific performance of the duties or the functions for which the staff member has been contracted by ITU or otherwise affect the image or reputation of ITU.

Section 4 **Values and rates**

For the purpose of making the disclosures required pursuant to the present service order, the applicable date for all values and rates of exchange is the date of disclosure.

Section 5 **Filing procedures**

5.1 Staff members who are required to file annual financial disclosure statement, including, if necessary, a report of any outside activity and interest, pursuant to the present policy shall do so by 31 March, in respect of the period from 1 January to 31 December of the previous year. All statements shall be lodged with the Ethics Officer, except for the statements of the Ethics Officer, which shall be submitted to the Secretary-General.

5.2 Staff members who are required to file shall use the Financial Disclosure Form. This form is available in the Ethics Office or on the Staff Dashboard of the ITU Corporate Intranet Portal.

5.3 Any person offered an appointment at a level or position that would require disclosure pursuant to Section 2.1(h) above, shall file an initial financial disclosure statement required under Section 3 above. Such a statement shall be submitted to the Ethics Officer and shall be made in respect of the immediately preceding 12-month period. Failure to submit an initial statement may result in a withdrawal of the offer of appointment.

Section 6 **Confidentiality**

The financial disclosure statements are confidential, they shall be kept in a secure location and shall only be accessible to the Ethics Officer, the External and Internal Auditor, and the Secretary-General or by offices or persons specifically authorized in writing by the Secretary-General. The Ethics Officer (or the Secretary-General for the Ethics Officer's statement) shall keep a log with signature of any persons who had access to any Financial Disclosure Statement at any time.

Section 7 **Obligations of staff members**

7.1 Staff members making disclosures pursuant to the terms of the present policy shall certify that the information disclosed is true, correct and complete to the best of their knowledge and belief.

7.2 Staff members who are required to file a financial disclosure statement under Section 2.1 above shall also assist the Ethics Officer in verifying the accuracy of the information submitted when so

requested.

7.3 High standards of conduct and ethical behaviour are fundamental obligations of an ITU staff member, and non-compliance by any staff member with the principles and provisions of this policy may lead to disciplinary action.

7.4 Staff members who are not able to comply with the disclosure requirements in respect to this policy shall submit a detailed justification to the Ethics Officer. The Ethics Officer shall consider whether such justification is reasonable, with regard to the particular circumstances of each case, and may make recommendations to the staff member and/or to the Secretary-General in respect of each case.

Section 8

Entry into force

The present policy shall enter into force on the date of promulgation of the present Service Order. It will apply to financial disclosures with effect from 1 January 2011.
