

POLICY ON THE IDENTIFICATION AND MANAGEMENT OF CONFLICTS OF INTEREST

Cyprus Telecommunications Authority Cyta

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1. INTRODUCTION

Proper administration is a prerequisite for optimal performance and the Authority recognises the particular importance of ensuring the fundamental principles of impartiality, integrity, objectivity and transparency in order to avoid incidents that could affect the objectivity and validity of its operational decisions or undermine confidence in the Organisation. The prevention, detection and management of conflicts of interest is a prerequisite for ensuring the impartiality of management.

2. DEFINITIONS

"Authority" or "Cyta" or "Organisation" means the Cyprus Telecommunications Authority.

"Board" means the Board of the Authority appointed pursuant to the Law on Certain Legal Entities of Public Law (Appointment of the Board of Directors), Law 149/1988.

"Member" means any Member of the Board of the Authority and includes the Chairperson and the Vice-Chairperson of the Board.

"Policy" means this Policy on the Identification and Management of Conflicts of Interest.

"Personnel" means all employees, monthly salaried personnel, hourly paid personnel and contract personnel of the Authority.

3. PURPOSE

A prerequisite for the pursuit of the public interest and the proper functioning of the Authority is the impartial exercise of administrative functions, setting aside personal considerations and individual interests.

The adoption of this Policy provides guarantees of impartial judgement by providing:

(a) a mechanism by which Personnel and Members of the Board understand and implement policies and procedures in relation to conflicts of interest; and

(b) where a person has a conflict of interest in a collective body or any other body of the Authority, the interest shall be declared and the person shall be excluded from participating in the proceedings, taking a decision or influencing the decision in any way.

4. SCOPE OF APPLICATION

This Policy is binding on the Authority, the Members of the Board and the Personnel of the Authority.

5. OBLIGATIONS

The basic principle that must govern the actions of the Board and the Personnel is the principle of impartiality, as expressed in the following Article 42 of the General Principles of Administrative Law [Law 158(I)/1999]:

"Principle of Impartiality

42.—(1) Every administrative body participating in the adoption of an administrative act must provide guarantees of impartial judgment.

(2) A person who has a special relationship or a relationship by blood or by affinity up to and including the fourth degree, or who is in a state of acute enmity with the individual concerned in the case under consideration, or who has an interest in its outcome, shall not participate in the adoption of an administrative act.

(3) Participation in an administrative body in the circumstances referred to in subsection (2) above is permitted where the administrative act cannot be issued by another legally competent body or where the competent collective body cannot convene because there would be no quorum."

It is desirable that the Principle of Impartiality, as described above, governs the actions of the Board and the Personnel, even in areas that do not constitute an administrative act within the meaning of the Law.

Members of the Board and Personnel of the Authority shall act impartially, free from any vested interests and shall take care to be and appear impartial and be alert to possible conflicts of interest with their duties and the interests of the Authority.

Where a Member of the Board or a member of the Authority's Personnel identifies that a conflict of interest may arise, the Conflict of Interest Management Procedure set out in paragraph 7 of the Policy will be followed.

The Authority recognises its relationship with the State, the public purpose of the Authority, the fact that the Authority is not only a business organisation but also an instrument of public policy and defines, as far as possible, the legitimate limits to the exercise of State policy by the Board.

6. IDENTIFICATION OF A CONFLICT OF INTEREST

A conflict of interest exists if the answer to the following question, derived from Article 42 of the General Principles of Administrative Law, is in the affirmative, in which case the conflict of interest must be managed in accordance with paragraph 7 of the Policy:

Does the person have a special relationship or a relationship by blood or by affinity up to and including the fourth degree, or is the person in a state of acute enmity with the individual concerned in the case under consideration, or does the person have an interest in its outcome?

Annex I to this Policy contains a table showing the extent of the fourth degree of kinship.

Annex II to this Policy gives examples of situations in which the above question needs to be answered.

If clarification is required regarding the proper implementation of the Policy, it is recommended that the Compliance Officer be consulted.

7. MANAGEMENT OF A CONFLICT OF INTEREST

A person who identifies a conflict of interest within the meaning of paragraph 6 of the Policy must refrain from participating in the preparation of an administrative act and from taking any action or formulating an opinion or proposal or making a recommendation or decision, and must inform his/her Superior or, in the case of a member of a collective body or other body, the Chairperson and the other members of the body, subject to recording in the relevant minutes.

8. POLICY VIOLATION REPORTS

In the event of a breach of or non-compliance with this Policy, the Personnel and the Board Members are required to report it to the Compliance Officer in accordance with the Whistleblowing Policy.

9. INFORMATION, AWARENESS AND TRAINING ON THE POLICY

Board Members and Personnel are expected to know and apply the provisions of this Policy. To ensure this:

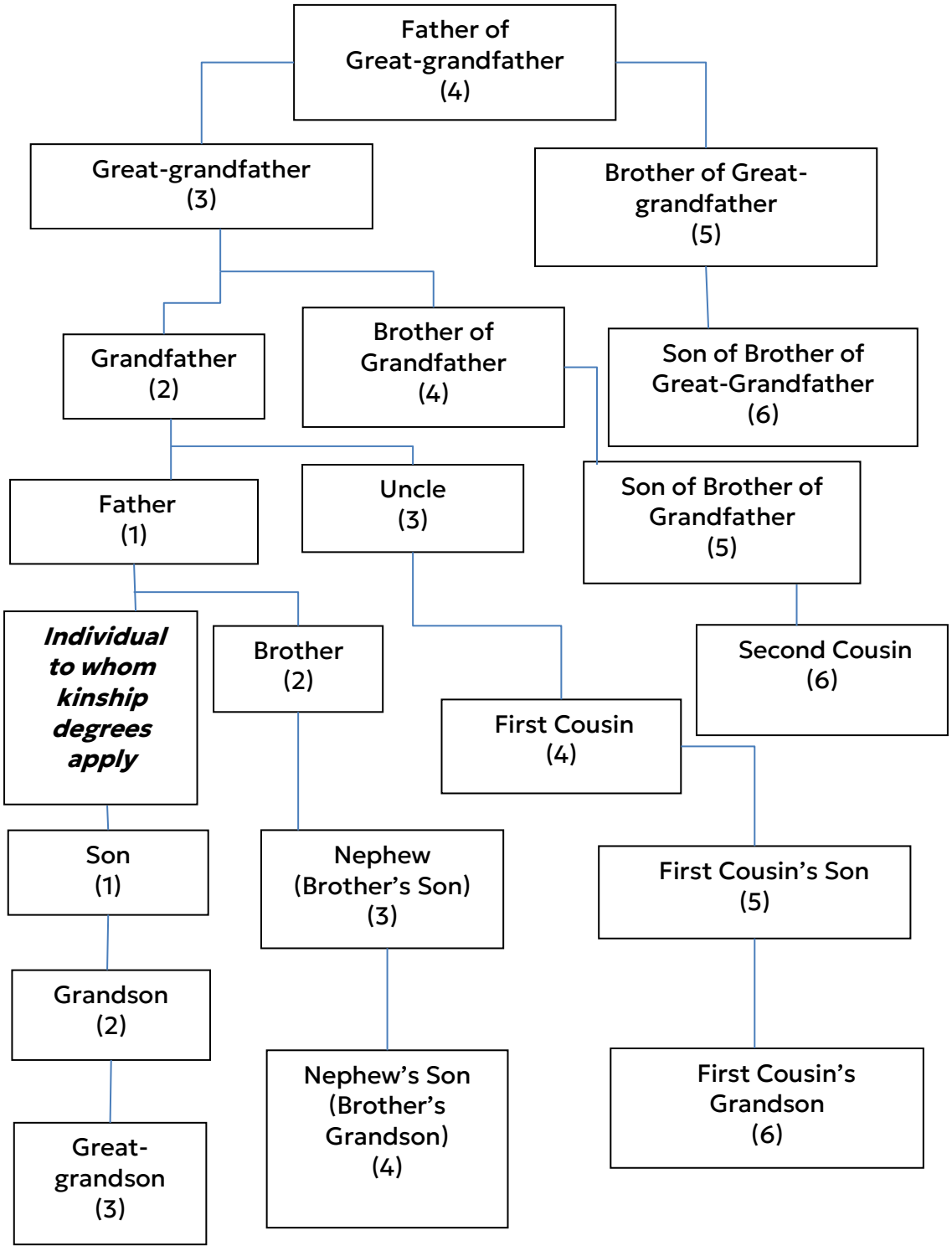
- In accordance with the Board Member Induction Policy, at the beginning of the Board's term of office or at the beginning of a Member's term of office, the Secretary shall provide him/her with information to give him/her an overview of the governance structure, policies and procedures of the Authority, with particular emphasis on the Policy on the Identification and Management of Conflicts of Interest and any potential conflicts of interest that may arise.

- The Compliance Officer shall ensure that all Personnel members are made aware of the Policy in order to ensure widespread knowledge and effective implementation of the Policy.

10. CONTINUOUS IMPROVEMENT AND REVIEW OF THE POLICY

The Policy shall be reviewed in accordance with the approved Policy Review Framework and updated periodically, as required by organisational and/or operational needs.

ANNEX I: TABLE OF DEGREES OF KINSHIP



ANNEX II: EXAMPLES OF CONFLICT OF INTEREST SITUATIONS

Conflict of interest exists where the answer to the following question, as derived from Article 42 of the General Principles of Administrative Law, is affirmative:

Does the person have a special relationship or a relationship by blood or by affinity up to and including the fourth degree, or is the person in a state of acute enmity with the individual concerned in the case under examination, or does the person have an interest in its outcome?

The part of the question "has an interest in its outcome" applies to both the individual and the person.

The table below provides indicative examples of situations in which the above question must be answered:

No.	Person	Individual	Comments
1	Member of the Board or of the Authority's Personnel involved in decisions on purchases.	Potential supplier. In the case where the potential supplier is a natural person, the individual is that natural person. In the case where the potential supplier is a legal entity, the individual is the owner/shareholder, director, or employee of that legal entity.	The answer to the above question is also affirmative when the person has an interest in the outcome of the case under examination; for example, someone cannot purchase from a company in which they themselves are a shareholder.
2	Member of the Board or of the Authority's Personnel who decides or participates in the decision-making regarding the handling, withdrawal, or settlement of a legal case.	Opposing party in legal proceedings	The answer to the above question is also affirmative when the person has an interest in the outcome of the case under examination; for example, someone cannot decide on a legal case in which they themselves are an opposing party in legal proceedings involving Cyta.

3	Member of the Board or of the Authority's Personnel who decides or participates in the decision-making regarding the evaluation, recruitment, promotion, salary progression, reward, disciplinary action, dismissal, or any other change in the employment status of a member of the Personnel.	Member of the Personnel who is a potential subject of the decision.	The answer to the above question is also affirmative when the person has an interest in the outcome of the case under examination; for example, someone cannot shape the vacancy notice for a position they themselves intend to apply for.
			The existence of a professional disagreement or dispute between an employee and a hierarchically superior person does not in itself mean that the superior person harbours hostility that prevents them from exercising their duties. It has been held that there is no lack of impartiality merely because the superior has, in the past, expressed negative judgments, issued unfavourable performance reports, or testified against a colleague in disciplinary or criminal proceedings. However, the existence of a legal dispute has been deemed capable of affecting impartiality, and therefore, an employee cannot be involved in deciding a case where they are a litigant.