



EUROPEAN PARLIAMENT

2014 - 2019

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**ADVISORY COMMITTEE  
ON THE CONDUCT OF MEMBERS  
2016 ANNUAL REPORT**

## **FOREWORD**

In accordance with Article 7(6) of the Code of Conduct for Members of the European Parliament with respect to financial interests and conflicts of interest (Annex I to the Rules of Procedure of the European Parliament), the Advisory Committee on the Conduct of Members publishes an annual report on its work.

The Annual Report on the work of the Advisory Committee from 1 January to 31 December 2016 was adopted by the Committee on 7 February 2017.

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## **Summary**

This report covers the activities of the Advisory Committee on the Conduct of Members in the period from 1 January to 31 December 2016.

This year has seen a significant increase in the number of matters referred to the Committee by the President. The Committee has been asked to examine eight possible violations of the Code of Conduct involving a total of 11 Members, compared with five cases in 2015. The Committee was also asked directly by the President to provide an interpretation of the Code of Conduct. The cases dealt with by the Committee over the course of the year thus added to its accumulated experience.

As in previous years, the Advisory Committee also endeavoured to provide an optimal service to Members, ensuring that the provisions of the Code were scrupulously observed while keeping the administrative burden as light as possible. To that end, the Committee placed special emphasis on raising awareness of the Code. The Committee further expanded the international dimension of its awareness-raising work in order to make Parliament's best practices in the area of parliamentary ethics and transparency better known outside the institution.

In addition, the competent administrative service (the Members' Administration Unit within DG Presidency, which provides secretariat services for the Advisory Committee) has continued to perform a general plausibility check on all Members' declarations of financial interests, in accordance with Article 9 of the Implementing Measures for the Code of Conduct.

A total of 16 new declarations were submitted by incoming Members during the year, and 72 updated declarations were submitted by 55 Members as part of their normal updating obligations. These rectified declarations included a total of 122 changes, i.e. in some cases more than one change was made in a single update.

# **1 BACKGROUND**

The Code of Conduct for Members of the European Parliament with respect to financial interests and conflicts of interest (hereinafter referred to as the 'Code of Conduct') entered into force on 1 January 2012.

The Code of Conduct laid down a number of guiding principles which Members must follow in the performance of their parliamentary duties, foremost among them being impartiality, integrity, transparency, diligence, honesty, accountability and respect for Parliament's reputation.

Furthermore, for the first time the Code of Conduct set out an explicit definition of conflicts of interest, and instructions which Members are required to follow when they encounter a conflict of interest, whether actual or potential (i.e. merely viewed as such by some members of the public).

The Code of Conduct also laid down restrictions on the circumstances under which former Members are entitled to carry out lobbying or representational activities.

Most importantly, the Code of Conduct introduced a detailed declaration of financial interests which all Members, under their personal responsibility, must submit before the end of the first part-session following elections to the European Parliament or, for Members who take up their duties in the course of a parliamentary term, within 30 days of their entry into Parliament. This declaration must also be amended by Members within 30 days following any change in their personal circumstances.

The requirements relating to declarations have been supplemented by the Implementing Measures for the Code of Conduct, which entered into force on 1 July 2013. Under the Implementing Measures, Members are also required to declare promptly their attendance at all events in respect of which their travel, accommodation or subsistence expenses were reimbursed or paid directly by third parties. In addition, they are required to notify the Administration and hand over all gifts they receive when representing Parliament in an official capacity.

All the aforementioned obligations with regard to declarations reflect Parliament's strict requirements on matters of parliamentary ethics and transparency. All declarations of financial interests, declarations of attendance at events organised by third parties and the register of official gifts are easily accessible online on Parliament's website.

Any Member who commits a breach of the Code of Conduct or its Implementing Measures may be liable to a penalty imposed, ultimately, by the President. Any such penalty is announced in plenary and, in the interests of transparency, published on Parliament's website.

## **2 THE ADVISORY COMMITTEE ON THE CONDUCT OF MEMBERS**

### **2.1 Composition**

The Advisory Committee on the Conduct of Members (hereinafter ‘the Advisory Committee’) was established by Article 7(1) of the Code of Conduct.

Its composition is governed by Article 7(2) and (3) of the Code of Conduct. At the beginning of his or her term, the President appoints five permanent members from amongst the members of the bureaux and the coordinators of Parliament’s Committee on Constitutional Affairs and Committee on Legal Affairs, taking due account of their experience and of political balance.

The permanent members of the Committee whose term of office ends on 16 January 2017 are:

- Ms Danuta Maria HÜBNER (PPE, Poland);
- Ms Mady DELVAUX (S&D, Luxembourg);
- Mr Sajjad KARIM (ECR, United Kingdom);
- Mr Jean-Marie CAVADA (ALDE, France);
- Mr Jiří MAŠTÁLKA (GUE, Czech Republic).

At the beginning of his or her term of office, the President also appoints a reserve member for each political group not represented among the permanent members of the Advisory Committee.

The reserve members of the Committee whose term of office ends on 16 January 2017 are:

- Ms Heidi HAUTALA (Verts/ALE, Finland);
- Ms Laura FERRARA (EFDD, Italy);
- Mr Gerolf ANNEMANS (ENL, Belgium).

### **2.2 Chair**

In accordance with the second subparagraph of Article 7(2) of the Code of Conduct, each permanent member of the Advisory Committee serves as Chair for six months on a rotating basis. And in accordance with Article 3 of the Committee’s Rules, in principle this rotation follows in descending order of size of the political groups to which the members belong. This meant that, following the rotation from the previous year, in

2016 Ms DELVAUX was the Chair (until February) and was followed by Mr CAVADA (from March to August). As Mr MAŠTÁLKA had stepped down from this position in September and Ms HÜBNER had other engagements at the time, Ms DELVAUX took over again from October to December.

### 2.3 Meetings in 2016

The Advisory Committee met on eight occasions in 2016.

#### Calendar of meetings of the Advisory Committee in 2016

Tuesday 26 January  
Tuesday 16 February  
Tuesday 15 March  
Tuesday 24 May  
Tuesday 12 July  
Wednesday 12 October<sup>1</sup>  
Monday 24 October<sup>2</sup>  
Tuesday 6 December

### 2.4 Tasks

The Advisory Committee's task is twofold:

- First, in accordance with the first subparagraph of Article 7(4) of the Code of Conduct, the Advisory Committee provides confidential guidance on the interpretation and implementation of the provisions of the Code within 30 calendar days to any Member who so requests. A Member who seeks guidance from the Committee is then entitled to rely on that guidance, which provides a guarantee of legal certainty.
- Second, in accordance with the second subparagraph of Article 7(4) and with Article 8 of the Code of Conduct, at the request of the President the Advisory Committee assesses alleged breaches of the Code and, on the basis of the conclusions it reaches, makes a recommendation to the President on a possible decision. If, taking into account that recommendation, the President concludes that the Member concerned has indeed breached the Code of Conduct, he or she, after hearing the Member, adopts a reasoned decision, which may lay down a penalty and which is published on Parliament's website, where it remains until the end of the parliamentary term.

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<sup>1</sup> For organisational reasons, the meeting originally scheduled for 18 October was brought forward to 12 October.

<sup>2</sup> For reasons to do with the Committee's work, this extraordinary meeting, which was not scheduled in the original calendar, was held in Strasbourg.

## **2.5 Work carried out during the year**

### **2.5(i) Possible breaches of the Code of Conduct**

In 2016, the President referred eight possible breaches of the Code of Conduct to the Advisory Committee (compared to five the previous year). They involved a total of 11 Members.

One of these referrals concerned three Members who had travelled to a third country and, on their return, had not submitted declarations of attendance at events organised by third parties. The Committee found that all the costs relating to the trip had been covered by a political group and concluded that the Members in question were exempt from the obligation to declare their trip, in accordance with the derogation provided for in the fourth subparagraph of Article 6(2) of the Implementing Measures for the Code of Conduct, and that no breach of the Code had therefore been committed on this occasion.

Four referrals concerned Members who had also visited third countries and then failed to submit a declaration of attendance at events organised by third parties, despite being required to do so under Article 6 of the Implementing Measures for the Code of Conduct, since their travel, accommodation or subsistence expenses had been reimbursed by the authorities of non-EU countries. In this case, the Advisory Committee found that the Code of Conduct had indeed been breached by the Members concerned, but recommended that no further action be taken against them as they had all promptly submitted a duly completed declaration and an explanatory letter after the oversight was discovered.

Another case also concerned a Member who went to a third country at the invitation of the authorities of that country and did not submit a declaration for the trip. Taking into account the exceptionally long delay in submitting the declaration in question, the Advisory Committee concluded that the Member had breached the Code of Conduct.

Another referral from the President concerned a Member who was the subject of a report by the European Anti-Fraud Office (OLAF). Given that OLAF had found that he had misappropriated funds to Parliament's detriment, the Committee concluded that, by his conduct, he had violated the guiding principles laid down by Article 1 of the Code of Conduct, and that his conduct justified the imposition of a penalty.

The eighth case concerned the behaviour of two Members on Parliament's premises. Here again, the Committee concluded that this behaviour constituted a breach of Article 1 of the Code of Conduct and of Rule 11 of Parliament's Rules of Procedure. Moreover, the Committee recommended that the President refer the matter to the competent national judicial authorities.

Finally, the President also asked the Committee to look into the issue of Members increasingly frequently acting as patrons of commercial events on Parliament's premises in cooperation with third parties, such as lobbyists or professional associations. The Committee submitted its assessment to the President and drew attention to the obligation for Members to declare financial interests and conflicts of

interest, while emphasising that it was for the Quaestors to ensure that Bureau decisions on the use of Parliament's premises by third parties and on the organisation of cultural events and exhibitions were correctly implemented.

### **2.5(ii) Guidance on the interpretation and implementation of the Code of Conduct**

In 2016, the Advisory Committee received no formal requests under the first subparagraph of Article 7(4) relating to guidance on the interpretation and implementation of the Code of Conduct. That said, throughout the year the Secretariat as usual responded to queries to help Members and parliamentary assistants interpret and correctly apply the provisions of the Code and its Implementing Measures, while reducing their administrative burden as far as possible.

### **2.5(iii) Promoting the Code of Conduct outside Parliament**

The Advisory Committee has worked hard again this year to promote the Code of Conduct at international level.

As part of that effort, on 30 June, Ms DELVAUX represented the Committee at the plenary session of the Council of Europe's Group of States against Corruption (GRECO), where she presented the provisions of the Code of Conduct and the tasks and workings of the Committee.

## **3 ACTIVITIES LINKED TO THE CODE OF CONDUCT**

### **3.1 Monitoring procedure for Members' declarations of financial interests**

Article 9 of the Implementing Measures for the Code of Conduct provides for a monitoring procedure for Members' declarations of financial interests. A general plausibility check is carried out, on behalf of the President, by the Members' Administration Unit in DG Presidency, where there is reason to believe that a declaration contains manifestly erroneous, flippant, illegible or incomprehensible information. The Member concerned is allowed a reasonable time to react by confirming or correcting the information contained in the declaration. Where the clarifications provided are deemed insufficient, the President decides how to proceed in accordance with Article 8 of the Code of Conduct.

Throughout the year the Members' Administration Unit in DG Presidency has systematically reviewed all the declarations of financial interests submitted by Members, whether new declarations from incoming Members during the course of the parliamentary term or amended versions of existing declarations.



### 3.2 Submission and updating of Members' declarations of financial interests

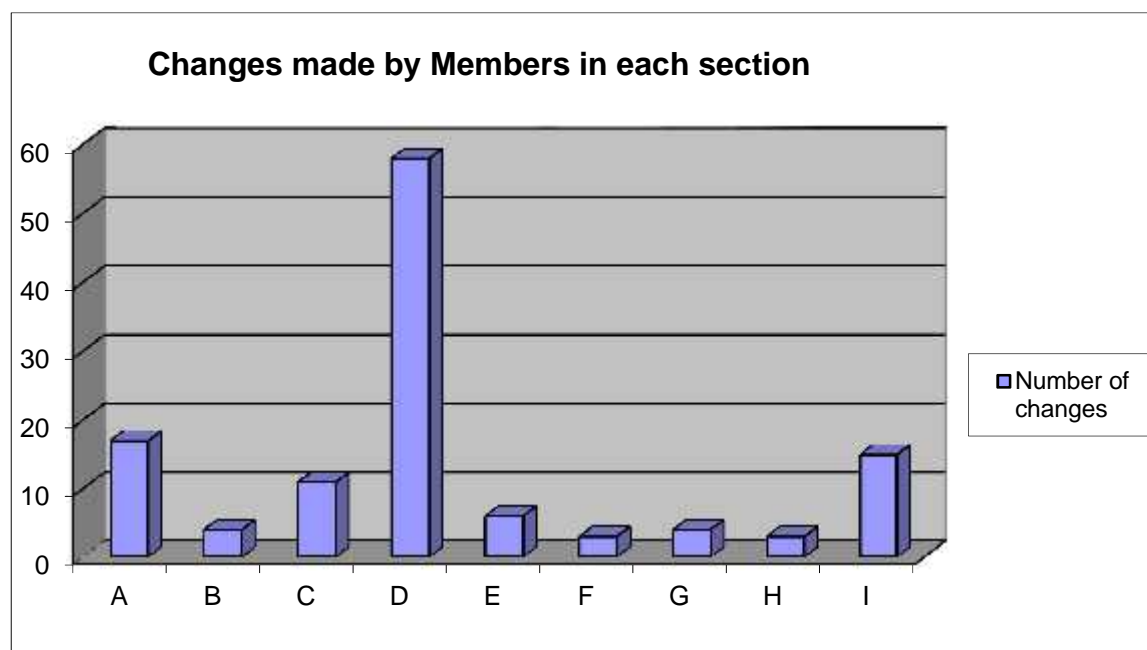
In accordance with Article 4(1) of the Code of Conduct, Members joining Parliament in the course of the parliamentary term are personally responsible for submitting a detailed declaration of their financial interests within 30 days of taking up their duties. In 2016, the 16 incoming Members all submitted their declarations of financial interests within the time limits.

In addition, Article 4(1) provides for Members to amend their declarations within 30 days of any changes that have an influence on their situation. Consequently, over the course of the year, 72 updated declarations were submitted to the President by 55 Members. In six of these cases, Members updated their declarations twice, two Members did so three times, one Member did so four times and one Member did so on five occasions.

These updated declarations included a total of 122 changes, i.e. in some cases more than one change was made in a single update.

Sections (D), (A) and (I) were by far the most frequently amended sections, with 58, 17 and 15 modifications respectively, confirming the trend observed in previous years.

The graph below shows the number of changes made in each section over the course of the year<sup>3</sup>.



Section (A): occupations during the three-year period before the Member took up office with the Parliament, and membership during that period of any boards or committees of companies, NGOs, associations or other bodies established in law.

Section (B): salary received for the exercise of a mandate in another parliament.

<sup>3</sup> One Member submitted a declaration which was identical to the previous one, but that was an isolated case and is not included in the graph.

Section (C): regular remunerated activity undertaken alongside the exercise of the Member's office, whether as an employee or as a self-employed person.

Section (D): membership of any boards or committees of any companies, NGOs, associations or other bodies established in law, or any other relevant outside activity, whether remunerated or unremunerated.

Section (E): occasional remunerated outside activity (including writing, lecturing or the provision of expert advice), if the total remuneration exceeds EUR 5 000 in a calendar year.

Section (F): a holding in any company or partnership, where there are potential public policy implications or where that holding gives the Member significant influence over the affairs of the body in question.

Section (G): any support, whether financial or in terms of staff or material, additional to that provided by Parliament and granted to the Member in connection with his or her political activities by third parties, whose identity shall be disclosed.

Section (H): any other financial interests which might influence the performance of the Member's duties.

Section (I): any additional information the Member wishes to give.

## **4 ADMINISTRATION**

The Members' Administration Unit in DG Presidency provides secretariat services to the Advisory Committee and has been designated by the Secretary-General as the competent service under Articles 2, 3, 4 and 9 of the Implementing Measures for the Code of Conduct:

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