

ETHICAL CODE OF CONDUCT Ethical statement of intent adopted by the Board of the Financial Supervisory Authority

24.4.2024

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Summary

General statement of intent to ensure the ethical conduct of the Financial Supervisory Authority (FIN-FSA) in all circumstances.

1 Foreword

The activities of the Financial Supervisory Authority are aimed at ensuring financial stability and the necessary smooth operation of credit, insurance and pension institutions, and other supervised entities, so as to safeguard the interests of the insured and maintain confidence in the financial markets.

Our Code of Conduct describes the general fundamental ethical requirements for our activities, with which everyone in the FIN-FSA must comply. The Code of Conduct is the principled foundation for ethical activities “The Voice from the Top”.

The purpose of the Code of Conduct is therefore to show a general ethical intent, not to respond to specific ethical problems that arise in everyday life. The Code of Conduct partly reflects the values of the FIN-FSA, which guide our activities and our daily decision-making.

On behalf of myself and the entire Board, I would like to send a strong message to everyone that both the members of the FIN-FSA Board and all FIN-FSA officials, regardless of their position, must comply with this Code of Conduct adopted by Board.

Marja Nykänen
Chair of the FIN-FSA Board
Financial Supervisory Authority

2 Background and purpose of the Code of Conduct

The Code of Conduct is based on the values of the FIN-FSA. The values guide our activities and our everyday decision-making.

The four values of the FIN-FSA are:

DYNAMIC

We are pro-active in perceiving changes in our operating environment and supervised entities, and we continuously develop our activities accordingly. We follow developments in real time and are actively involved in progress at the international level.

RESPONSIBLE

Our activities are consistent, constructive and of the highest quality. We are aware of the consequences of our actions. We communicate openly, bearing in mind our responsibilities.

EFFECTIVE

We concentrate on essentials. We take responsibility for our own and the whole organisation's results. We are vigilant and take swift action when needed.

TOGETHER

We are a supportive working community. We learn constantly and support others in their own professional development. We create a positive team spirit. We work in good cooperation with all our stakeholders.

The most important purpose of the Code of Conduct is to provide on a general level a common set of ethical ground rules about what is and is not permitted in the organisation and what is the expected way of acting. The purpose of the Code of Conduct is therefore to tell the organisation what it means to act in accordance with the values in a principled way. A further purpose is that organisation understands what type of ethical perspective is expected of it and what its responsibilities are.

The Code of Conduct also communicates outside the organisation about the FIN-FSA's commitment to ethical activity.

3 Coverage

The Code of Conduct applies to all FIN-FSA officials as well as members and deputy members of the FIN-FSA Board. The FIN-FSA also expects its cooperation partners, such as consultants, purchased service providers etc., to comply with this Code of Conduct.

4 Compliance with law, Code of Conduct in relation to legal requirements

Officials of the FIN-FSA must comply with the laws in force, which is stated in the Constitution of Finland: *“The exercise of public powers shall be based on an Act. In all public activity, the law shall be strictly observed.”*

The principles of good administration are described in the Administrative Procedure Act: *“An authority shall treat equally those to whom it is providing services in administrative matters and shall exercise its competence only for purposes that are acceptable under the law. The acts of an authority shall be impartial and proportionate to the objectives sought. These acts shall protect expectations that are legitimate under the legal order.”*

These requirements constitute the absolute framework for the activities of the FIN-FSA. However, provisions written in law always require application to the individual actions of officials, which are guided by the Code of Conduct.

5 Compliance with the Code of Conduct and relationship to other guidelines

The Code of Conduct does not override other internal or external guidelines and rules laid down for the compliance of FIN-FSA officials, such as the FIN-FSA's trading rules and the ECB Guideline (Guideline (EU) 2021/2256 of the European Central Bank of 2 November 2021 laying down the principles of the Ethics Framework for the Single Supervisory Mechanism (ECB/2021/50) (recast)). The Code of Conduct must be complied with in the preparation of internal guidelines and rules.

6 Equality, non-discrimination and appropriate behaviour

All forms of discrimination, bullying and harassment within the organisation are prohibited.

In the FIN-FSA, the principle of equality and non-discrimination is applied regardless of age, race, place of birth, gender, religion, political conviction, social status, or origin.

The FIN-FSA respects the right of all its officials to organise and to join a trade union or other representative bodies.

7 Disclosure principles for the FIN-FSA's own activities

The FIN-FSA applies high quality standards when disclosing financial and non-financial information about its activities. All business transactions carried out on behalf of the FIN-FSA must be accurately and truly reflected in the FIN-FSA's accounts.

The FIN-FSA has an ethical obligation to operate transparently and it must therefore disclose all significant matters related to its own activities that may affect public confidence in its operations. This stems from the purpose of the FIN-FSA's activities, its position as an authority and its position of trust in society.

Every year, the FIN-FSA publishes a separate corporate governance report.

8 Conflicts of interest, disqualification and bribery

The FIN-FSA's actions and decision-making must always be impartial. In the conduct of their official duties, FIN-FSA officials must maintain their neutrality and impartiality and observe the principle of equal treatment. Minutes must be prepared of meetings held with external parties.

Conflicts of interest may arise in, for example, the following situations:

- an official has a personal relationship with a person or a significant interest in a company that is supervised by the FIN-FSA;
- an official's duties pertain to a FIN-FSA supervised entity at which the official has previously worked;
- a close relative of an official is a FIN-FSA supervised entity, a supplier of goods or services to the FIN-FSA, or an employee of such an undertaking;
- an official has a personal relationship with a superior or subordinate.

FIN-FSA officials must identify and avoid conflicts of interest and they must report any conflict of interest in accordance with the rules of the FIN-FSA.

A recruiting supervisor must ensure that applicants for a position at the FIN-FSA report potential conflicts of interest during the application process. A recruiting supervisor must also ensure, before appointing a candidate, whether for example their previous duties, assets, private transactions or personal relations could give rise to conflicts of interest with the conduct of their official duties. If conflicts of interest are discovered during the assessment, the recruiting supervisor must also decide in writing, before appointing the candidate, on the procedures used to avoid conflicts of interest situations.

An official must, without undue delay, notify their supervisor if they are being appointed to a new position outside the FIN-FSA and if the selection process and/or new position could give rise to a conflict of interest or if a conflict of interest arises during unpaid leave. The official must understand that even their participation in a recruitment process may constitute a conflict of interest.

FIN-FSA officials must themselves identify any disqualification situations that may apply to them. Disqualified officials may not participate in the processing of a case or be present during its processing.

The FIN-FSA and its officials must not offer, request or accept bribes in any form.

A bribe is a benefit given in any form with the intention of influencing the recipient's behaviour. Offering or receiving occasional and reasonably priced gifts, meals or hospitality is not considered bribery if it complies with the rules of the Bank of Finland and if it can withstand public scrutiny without damaging the reputation of the FIN-FSA.

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9 Inside information

FIN-FSA officials must familiarise themselves with and comply with internal guidelines and standards concerning, for example, the insider's notification obligation, securities trading and insurance investment.

10 Assets of the FIN-FSA

FIN-FSA officials must appropriately safeguard the FIN-FSA's assets, which include, among other things, the FIN-FSA's fixed assets, funds allocated to operating expenses, and revenue invoicing.

The FIN-FSA's assets must be appropriately safeguarded from damage, unauthorised use, and loss. The FIN-FSA's assets must not be used without permission for personal purposes or for any other purpose outside the FIN-FSA.

11 Information management

In the FIN-FSA, confidential information enjoys special protection, which stems from the purpose of the FIN-FSA's activities, its position as an authority and its position of trust in society. FIN-FSA officials must protect the confidentiality, integrity and availability of the information in their possession.

FIN-FSA officials may process, use, disclose and share the confidential information held by the FIN-FSA only in the manner permitted by law for the FIN-FSA. All non-public information entrusted to the FIN-FSA by supervised entities and suppliers of goods and services must be processed in accordance with the law and contractual obligations.

The Act on the Openness of Government Activities must guide the publicity and confidentiality of information.

12 Enforcement of the Code of Conduct, notifications, advice and possible sanctions

FIN-FSA officials are encouraged to raise any questions they may have concerning the Code of Conduct with their supervisors, and FIN-FSA supervisors are required to support their subordinates in matters concerning the Code of Conduct.

FIN-FSA officials must report any suspected violations of the law and unethical behaviour either to their supervisor, the Compliance function or the whistleblowing channel.

Supervisors must forward reports they receive to the FIN-FSA's Compliance function. All reports are processed confidentially and anonymously, unless otherwise agreed or required by mandatory legislation.

Officials must not be prevented from reporting any violations. The appropriate parties will investigate fairly and comprehensively all reports, made in good faith, of potential violations.

In all internal communications, emphasis must be given to the fact that reporting a violation of the law or the Code of Conduct will not adversely affect the whistleblower's work or employment.

The FIN-FSA will not tolerate any violation of the Code of Conduct. Acting in violation of the Code of Conduct is contrary to the duties of public officials, which might result in the realisation of liability for official acts. Where appropriate, legal sanctions will be applied to violations of the Code of Conduct, which may in the worst case result in termination of the public service employment relationship.

The FIN-FSA monitors compliance with its Code of Conduct. If necessary, the FIN-FSA Director General will launch disciplinary proceedings under civil service law or other sanctions proceedings for infringements of the Code of Conduct. The handling of infringements is also monitored and reported in accordance with the ECB Guideline.

If FIN-FSA officials have questions about the Code of Conduct, they may always contact the Compliance function.

13 Communication of the Code of Conduct

This Code of Conduct is published on the FIN-FSA's intranet and external website.