



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

BI-ANNUAL REPORT

1 JULY - 31 DECEMBER 2014

FOREWORD

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) states that *"The Advisory Committee shall publish an annual report of its work"*.

Because of the European elections taking place in 2014, a bi-annual report covering the period 1 January to 30 June 2014 was adopted on 30 June 2014.

This bi-annual report on the work of the Advisory Committee on the Conduct of Members covers the period 1 July to 31 December 2014 and was adopted by the Committee on 24 February 2015.

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Executive summary

The present reports covers the second semester of 2014, following the appointment of the members of the Advisory Committee by the President of the European Parliament after the European elections of May 2014 and the beginning of the 8th legislative term on 1 July 2014.

Naturally, the newly appointed Advisory Committee devoted most of its time and attention to its two core tasks, namely to advise the President and to give guidance to Members on the interpretation and implementation of the Code of Conduct, treating requests from Members confidentially and within 30 days.

The Advisory Committee also endeavoured to improve service to Members, keeping the administrative burden as light as possible. It also laid special emphasis on raising awareness on the Code of Conduct, both indoors and outdoors. In this respect, the increasingly international dimension of these efforts has to be stressed.

Besides, a general plausibility check has been applied to all the Declarations of financial interests submitted by Members since the very first day of the 8th legislative term. This monitoring exercise, performed in accordance with the Implementing Measures for the Code of Conduct which entered into force one year ago, lead to the identification and request for clarification of unclear declarations by not less than 58 Members.

In addition, 89 updated Declarations were submitted by 85 Members as part of normal updating obligations. These updated Declarations included a total of 150 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 entered into force on 1 January 2012.

It sets out as its guiding principles that Members shall act solely in the public interest and conduct their work with disinterest, integrity, openness, diligence, honesty, accountability and respect for the institution's reputation.

The Code of Conduct defines conflicts of interest and how Members should address them and it includes rules on, for example, professional activities of former Members.

It puts an obligation on Members to submit a detailed Declaration of their financial interests.

Members are also required to declare their attendance at events organised by third parties.

These disclosure obligations are a reflection of the demanding rules and standards of transparency laid down in the Code of Conduct. The information supplied by Members in their declarations can be found on the Members' individual profile pages on Parliament's website.

Members also have to notify gifts they have received when representing Parliament in an official capacity, under the conditions laid down in the Implementing Measures for the Code of Conduct. Such gifts are reported in the register of gifts.

Any Member found to be in breach of the Code of Conduct can be given a penalty by the President. This penalty is announced by the President in Plenary and prominently published on Parliament's website for the remainder of the parliamentary term.

2 THE ADVISORY COMMITTEE ON THE CONDUCT OF MEMBERS

2.1 Composition and tasks

The Advisory Committee on the Conduct of Members was established by Article 7(1) of the Code of Conduct. According to Article 7(2), the Committee is "*composed of five members, appointed by the President at the beginning of his or her term of office from amongst the members of the bureaux and the coordinators of the Committee on Constitutional Affairs and the Committee on Legal Affairs, taking due account of the Members' experience and of political balance*".

The members of the Advisory Committee are:

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

According to Article 7(3) of the Code of Conduct, *"The President shall also, at the beginning of his or her term of office, nominate reserve members for the Advisory Committee, one for each political group not represented in the Advisory Committee [...]".*

The reserve members of the Advisory Committee are:

- Ms Heidi HAUTALA (Greens/EFA, Finland); and
- Ms Laura FERRARA (EFDD, Italy).

It has to be noted that the initial member for the ALDE group was Mr Francisco SOSA WAGNER (Spain). As Mr SOSA WAGNER resigned from his mandate as a Member of the European Parliament with effect on 19 October 2014, the President subsequently appointed Mr Jean-Marie CAVADA as a member of the Advisory Committee.

The tasks of the Advisory Committee consist in assessing alleged breaches referred to it by the President, and giving guidance to Members on the interpretation and implementation of the Code. Requests from Members are treated confidentially and Members are entitled to rely on this guidance, which is given within 30 days.

At the beginning of the legislative term, several Members have expressed their concerns about the safeguard of confidentiality of the Committee's proceedings. This matter has been promptly taken up by the Chair-in-office who discussed it with the President. At the current state, formal procedures are being implemented to ensure that confidentiality is strictly observed at all times. In particular, all the members, assistants and staff who attend Committee's meetings will be requested to sign a declaration of confidentiality; members will have to designate one assistant entitled to attend the meetings; and documents will be transmitted to Committee's members in a sealed envelope instead of via email.

2.2 Chairmanship

As laid down in Article 7(2) of the Code of Conduct, *"each member of the Advisory Committee shall serve as chair for six months on a rotating basis"*. At its constitutive

meeting on 7 March 2012, the Advisory Committee agreed this "*rotation shall, in principle, follow in descending order the size of the political group of the members composing the Advisory Committee*"¹.

However, the President requested Mr Karim (ECR), for the sake of continuity, to serve as the Chair-in-office for the first semester. Mr Karim is indeed the only member of the current Advisory Committee who was already a member during the previous legislative term. The rotation should thereafter follow in descending order the size of the political groups of the members composing the Advisory Committee.

As a consequence, Mr Karim has chaired the Advisory Committee from September 2014 to February 2015. Ms Hübner (EPP) will then act as a chair-in-office from March to August 2015. Ms Delvaux (S&D) will succeed her until February 2016. Mr Cavada (ALDE) will take over the rotating chairmanship as of March 2016. Mr Maštálka (GUE) will then be chair-in-office as of September 2016.

2.3 Meetings 2014 & 2015

The Advisory Committee met on four occasions during the first semester of the 8th parliamentary term.

Calendar of Meetings of the Advisory Committee in 2014 (2nd semester - beginning of the 8th parliamentary term)

Tuesday 23 September
Tuesday 14 October
Tuesday 11 November
Tuesday 9 December

At its meeting of 23 September 2014, the Advisory Committee also adopted the following meeting calendar for 2015.

Calendar of Meetings of the Advisory Committee in 2015

Tuesday 20 January
Tuesday 24 February
Tuesday 24 March ²
Tuesday 14 April
Tuesday 26 May
Tuesday 23 June
Tuesday 14 July

¹ Advisory Committee Rules of Procedure, Rule 3.

² Chair rotation: Ms Danuta Maria Hübner (EPP) will take over from Mr Karim (ECR).

Tuesday 22 September³
Tuesday 13 October
Tuesday 10 November
Tuesday 8 December

2.4 Work carried out during the year

2.4(i) Alleged breaches of the Code of Conduct

During the first semester of the 8th legislative term, no case of alleged breaches of the Code of Conduct was referred to the Advisory Committee by the President in the framework of the procedure laid down by Article 8(1) of the Code.

This situation can be explained by the proactive approach that has been adopted towards the 751 newly- or re-elected Members, in particular as far as the submission of their respective Declarations of financial interests was concerned (see paragraph 3.2). In this respect, it has to be underlined that the Advisory Committee's main goal is to help Members to meet their disclosure obligations, rather than to seek reasons to sanction them.

2.4(ii) Guidance on the interpretation and implementation of the Code of Conduct

Throughout the year, the Advisory Committee and its Secretariat also carried on with its endeavours to assist Members in the correct interpretation and implementation of the Code of Conduct, while alleviating the administrative burden to the extent possible.

The Advisory Committee has provided guidance to a Member, in full confidence and within 30 calendar days, in accordance with Article 7(4) of the Code. By doing so, it has continued to further clarify the interpretation of the rules.

For example, it has further clarified how to deal with courtesy gifts, even though their estimated value is below the threshold of EUR 150, advising the Member concerned on how to meet his/her disclosure obligations in an exhaustive and transparent manner when facing such situations. It has also further explained the disclosure obligations incumbent to Members who undertake external occupations alongside their parliamentary activities.

³ Chair rotation: Ms Mady Delvaux (S&D) will take over from Ms Danuta Maria Hübner (EPP).

2.4(iii) Improving service to Members and raising awareness on the Code of Conduct

The transparency requirements laid down by the Code of Conduct are stringent, but the Advisory Committee has endeavoured to keep the administrative burden placed upon Members as light as possible.

Since the Advisory Committee was established in March 2012, the practical guidelines it has provided to the Members have been compiled into a Users' Guide which is available on Parliament's website⁴ in all official languages.

At its initial meeting of 23 September 2014, the Advisory Committee instructed its Secretariat to distribute a booklet containing not only this User's Guide, but also a short presentation of what the Committee is and does, plus all the relevant documents and forms, to all the newly elected Members of the European Parliament. Besides, as per instructions from the Advisory Committee, members of the Secretariat have given a number of presentations all year round to Members, parliamentary assistants and staff of political groups. Through this proactive approach, it raised awareness of the Code of Conduct and reduced the risks of non-compliance.

Added to that, the Advisory Committee's efforts to offer a strengthened service and raise awareness have also taken an international dimension. In late September, the Chair-in-office, Mr Karim, met a delegation of Chilean and Mexican MPs and top-civil servants, who wanted to be informed about the Committee's work on openness and ethics.

3 ACTIVITIES RELATED TO THE CODE OF CONDUCT

3.1 Monitoring procedure for Member's Declarations of financial interests

On 15 April 2013, the Bureau adopted Implementing Measures for the Code of Conduct. These measures entered into force on 1 July 2013 - with no retroactive effect, clarifying the scope of the Code's Article 5 on "*gifts and similar benefits*".

The Implementing Measures lay down that Members have to notify the President of any gift they have received when representing Parliament in an official capacity, and to declare their attendance at events organised by third parties, where the reimbursement of their travel, accommodation, or subsistence expenses, or the direct payment of such expenses, is covered by a third party.

In addition, Article 9 of the Implementing Measures provides for a monitoring procedure for Members' Declarations of financial interests:

"Where there is reason to think that a declaration contains manifestly erroneous, flippant, illegible or incomprehensible information, the competent service shall, on

⁴http://www.europarl.europa.eu/pdf/meps/CoC%20User's%20Guide%20draft4web_EN_def.doc

behalf of the President, perform a general plausibility check for clarification purposes within a reasonable time-limit, thereby giving the Member the possibility to react. Where such a check does not clarify and thus resolve the matter, the President shall take a decision on further proceedings in accordance with Article 8 of the Code of Conduct."

By decision of Parliament's Secretary-General of 22 April 2013, the Members' Administration Unit in the Directorate-General for the Presidency has been designated the competent service to perform this general plausibility check on behalf of the President.

Following the 2014 European elections and the submission, by the newly elected Members, of their respective Declarations of financial interests, the Members' Administration Unit informally contacted not less than 58 Members in the autumn 2014, in the framework of this general plausibility check:

- 41 re-elected Members who had submitted an empty Declaration or a Declaration containing an empty or incomplete Section (A);
- 11 new Members who had submitted a Declaration containing an empty Section (A); and
- 6 new Members who had submitted an empty declaration.

As a result of this first contact, 53 cases were promptly solved, i.e. the Members concerned either submitted a revised Declaration or provided explanations which duly justified why their initial Declaration should remain unchanged.

The five remaining Members were re-contacted in October via an official letter from the President, and subsequently adjusted their respective Declarations in a manner which was deemed satisfactory.

3.2 Submission of Member's Declarations of financial interests

As laid down in Article 4(1) of the Code of Conduct, *"For reasons of transparency, Members of the European Parliament shall be personally responsible for submitting a declaration of financial interests to the President by the end of the first part-session after elections to the European Parliament [...]"*.

By the end of the first part-session of the 8th legislative term (1 July - 3 July) following the 2014 European elections, 750 Members had submitted their original declarations. The only Member who had failed to do so received a reminder from the President and promptly made his submission.

Besides, under Article 4(1), Members are required to submit their Declarations of financial interests *"within 30 days of taking up office with the Parliament in the course of a parliamentary term"*. During the second semester of 2014, 13 new Declarations were submitted to the President by the 13 incoming Members, each of them within the time limits set for this purpose.

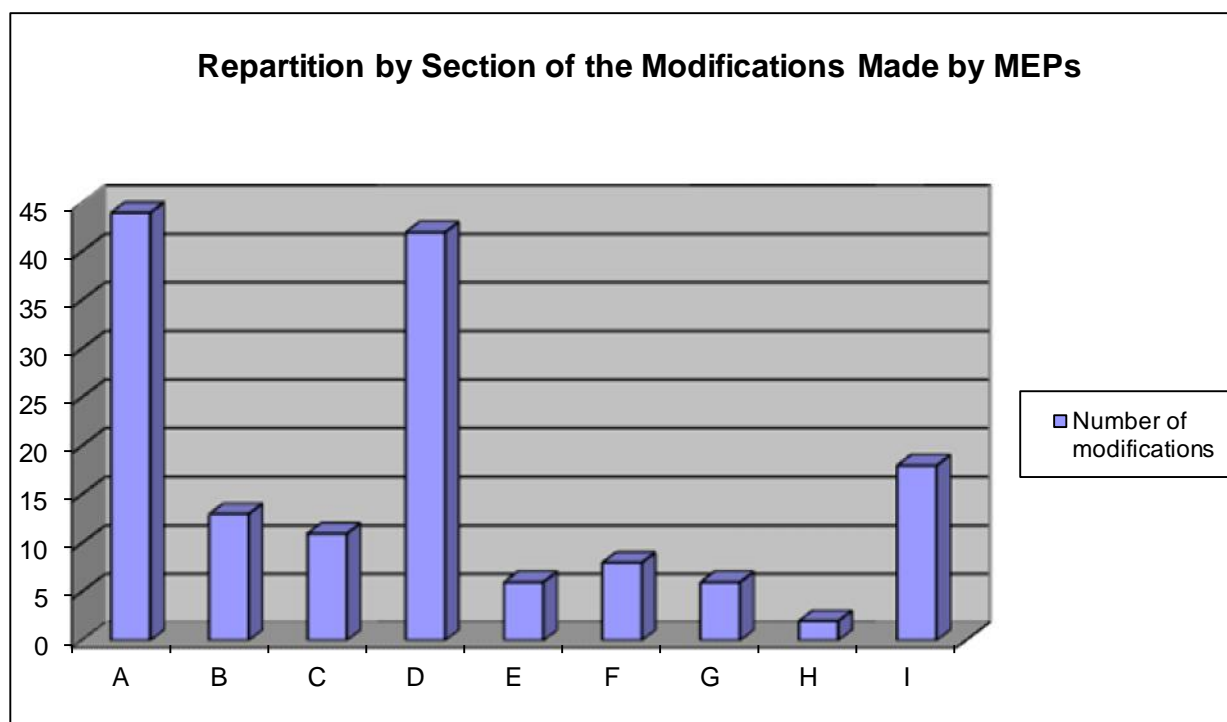
Lastly, Article 4(1) foresees that Members *"shall notify the President of any changes that have an influence on their Declaration within 30 days of each change occurring"*.

Throughout the semester, 89 updated Declarations were submitted to the President by 85 Members. The difference in figures is explained by the fact that 4 Members updated their Declarations twice.

These updated Declarations included a total of 150 changes, i.e. in some cases more than one change was made in a single update.

On the substance, Sections (A), (D) and (I) were by far the most frequently amended Sections, with 44, 42 and 18 modifications respectively.

The graph below illustrates the distribution, Section by Section, of all the modifications made throughout the year.



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.

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): 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/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 (based in Brussels and Luxembourg) in the Directorate-General for the Presidency acts as Secretariat to the Advisory Committee and is the competent service under Articles 2, 3, 4 and 9 of the Implementing Measures for the Code of Conduct:

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