



EUROPEAN PARLIAMENT

2009 - 2014

**THE ADVISORY COMMITTEE
ON THE CONDUCT OF MEMBERS
ANNUAL REPORT 2013**

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"*.

This annual report on the work of the Advisory Committee on the Conduct of Members covers the period 1 January to 31 December 2013 and was adopted by the Committee on 11 February 2014.

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Executive summary

The task of the Advisory Committee is to assess alleged breaches referred to it by the President, and to give guidance to Members on the interpretation and implementation of the Code. Requests from Members are treated confidentially and Members are entitled to rely on its guidance, which is given within 30 days.

A significant step forward for the Code of Conduct was the entry into force, on 1 July 2013, of new Implementing Measures, adopted by Bureau decision of 15 April 2013. Apart from setting up new standards for the notification of gifts received by Members representing Parliament in an official capacity and for Members' declarations of attendance at events organised by third parties, these measures introduced a provision on the monitoring of Members' Declarations of financial interests.

A subsequent "general plausibility check", carried out by the competent administrative service, led to 161 Members clarifying their Declarations of financial interests.

In addition, 285 updated Declarations were submitted by 257 Members as part of normal updating obligations. These updated Declarations included a total of 447 changes, i.e. in some cases more than one change was made in a single update.

Nine cases of alleged breaches of the Code of Conduct were referred to the Advisory Committee by the President in December 2013. The Advisory Committee's examination is on-going at the time of the publication of this report and its recommendations to the President will be made before the end of the 7th legislative term.

The Advisory Committee's call in its Annual Report 2012 for an improvement of the visibility and traceability of transparency-related information, led to the launch, in November 2013, of a single "Ethics & Transparency" webpage on the European Parliament's website.

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.

The Code of Conduct 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:

- Mr Carlo CASINI (EPP, Italy);
- Ms Evelyn REGNER (S&D, Austria);
- Ms Cecilia WIKSTRÖM (ALDE, Sweden);
- Mr Gerald HÄFNER (Greens/EFA, Germany); and
- Mr Sajjad KARIM (ECR, United Kingdom).

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:

- Mr Jiří MAŠTÁLKA (GUE, Czech Republic); and
- Mr Francesco Enrico SPERONI (EFD, Italy).

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.

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.

Ms Evelyn Regner (S&D) chaired the Advisory Committee from 30 August 2012 to 19 March 2013. Ms Cecilia Wikström (ALDE) succeeded her until 17 September 2013, when Mr Gerald Häfner (Greens/EFA) took over the rotating chairmanship, for a six-month term.

2.3 Meetings 2013

The Advisory Committee met on eight occasions in 2013.

¹ Advisory Committee Rules of Procedure, Rule 3.

Calendar of Meetings of the Advisory Committee in 2013

Tuesday 22 January
Tuesday 19 February
Tuesday 19 March ²
Tuesday 23 April
Tuesday 18 June
Tuesday 17 September ³
Tuesday 15 October
Tuesday 17 December

At its meeting of 17 September 2013, the Advisory Committee adopted its meeting calendar for the first semester 2014 until the electoral recess.

Calendar of Meetings of the Advisory Committee in 2014 (1st semester - end of the 7th parliamentary term)

Tuesday 21 January
Tuesday 11 February
Tuesday 18 March ⁴
Tuesday 15 April

2.4 Work carried out during the year

In 2013, nine cases of alleged breaches of the Code of Conduct were referred to the Advisory Committee by the President, in accordance with Article 8(1) of the Code.

As the formal referral procedure took place in December, the Advisory Committee is still examining the circumstances of these alleged breaches at the date of publication of this report. On the basis of the conclusions of its findings, the Advisory Committee shall make a recommendation to the President on a possible decision before the end of the 7th legislative term.

Throughout the year, the Advisory Committee 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.

First of all, it has provided guidance to Members, in full confidence and within 30 calendar days, in accordance with Article 7(4) of the Code. By doing so, it has

² Chair rotation: Ms Cecilia Wikström (ALDE) took over from Ms Evelyn Regner (S&D).

³ Chair rotation: Mr Gerald Häfner (Greens/EFA) took over from Ms Cecilia Wikström (ALDE).

⁴ Chair rotation: Mr Karim (ECR) will take over from Mr Häfner (Greens/EFA).

continued to build up its own jurisprudence. Notably, it has further clarified the criteria determining the existence -or not- of an actual or potential conflict of interest in several types of situations - for instance, in cases where Members host political events otherwise organised and paid for by third parties, or where Members receive support from third parties. The Committee has advised Members on how to meet their disclosure obligations in an exhaustive and transparent manner when facing such situations.

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 website⁵ in all official languages.

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 1 July 2013, Members who wish to amend their Declarations of financial interests only have to fill in the section(s) of the form they want to update, and not the entire form anymore: this constitutes a major step towards simpler procedures. Ultimately, Members should have the possibility to fill in, sign and submit their Declarations entirely electronically. This latter development has been decided by the Advisory Committee and has received support from the President. It is expected to be implemented after the European elections 2014.

Last but not least, the Advisory Committee welcomed in the European Parliament, on 9 April 2013, the newly appointed Ethics Officer ("*déontologue*") of the French National Assembly, Ms Noëlle Lenoir, who was seeking information about the Code of Conduct and the work of the Committee. The fact that Ms Lenoir's choice fell on the European Parliament for her first fact-finding mission clearly shows that our institution is at the vanguard to promote a sound and transparent model of governance.

3 ACTIVITIES RELATED TO THE CODE OF CONDUCT

3.1 Implementing Measures for the Code of Conduct

On 15 April 2013, the Bureau adopted Implementing Measures for the Code of Conduct. They 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. All such gifts are Parliament's property. They are published in a register of gifts which includes information on the recipient, the capacity in which the Member received it, the donor, the date of receipt, a description and picture of the gift and an indication of its value as estimated by the recipient (more or less than EUR 150). The register of gifts is published on Parliament's website.

⁵http://www.europarl.europa.eu/pdf/meps/CoC%20User's%20Guide%20draft4web_EN_def.doc

The Implementing Measures also lay down that Members shall 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. These declarations are published on each Member's individual page on Parliament's website.

In addition, the Implementing Measures provide 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 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, 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.

3.2 Submission of Member's Declarations of financial interests

As laid down in Article 4(1) of the Code of Conduct, Members who take up office in the course of the parliamentary term are required to submit their Declarations of financial interests within 30 days. In 2013, 28 new Declarations were submitted to the President, each of them within the time limits set for this purpose.

Besides, 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"*.

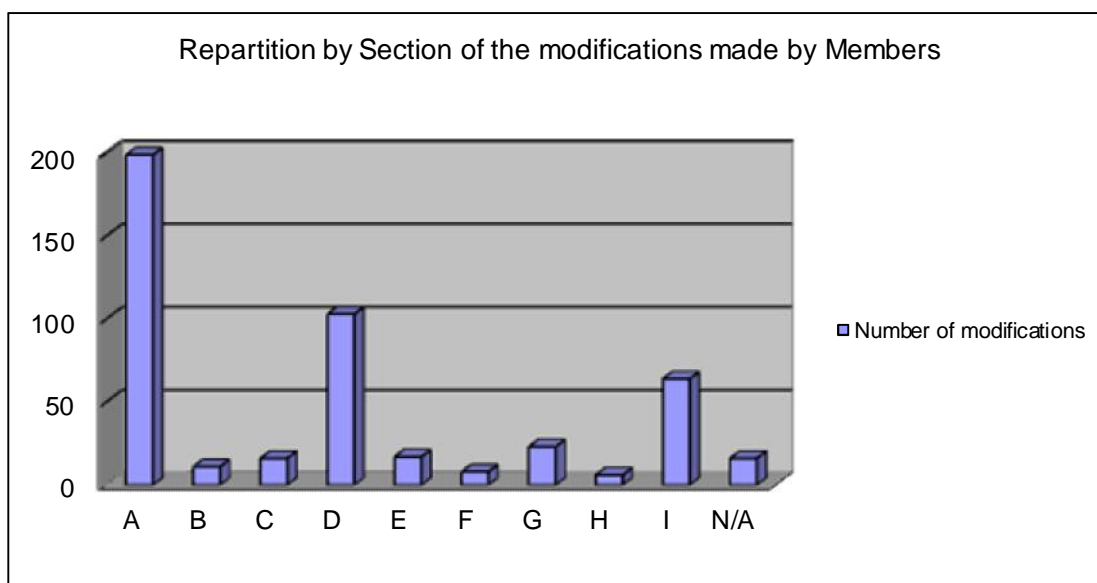
Throughout the year, 285 updated Declarations were submitted to the President by 257 Members. The difference in figures is explained by the fact that 232 Members submitted one amended Declaration each, while 23 Members updated their respective Declarations twice, one Member updated his Declarations on three different occasions and one Member updated his Declaration on four different occasions.

These updated Declarations included a total of 447 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 199, 103 and 64 modifications respectively.

161 Declarations were updated as a result of the general plausibility check carried out within the framework of the new monitoring procedure, where a total of 183 Members were formally requested to clarify their Declarations. These requests were made where Declarations were entirely empty, had no information filed under Section (A) (occupations and memberships during the three-year period before taking up office with the Parliament), or included incomprehensible information.

The graph below illustrates the distribution, Section by Section, of all the modifications made throughout the year⁶.



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

4.1 Publication of a "Code of Conduct Booklet"

To facilitate the use of the Code of Conduct and the practical handling of the reporting obligations incumbent to Members, the Advisory Committee has published

⁶ 16 modifications are reported as N/A in the graph; they correspond to Members who submitted an amended Declaration strictly identical to the previous one, and to those who submitted an amended Declaration containing similar information as the previous one but in a different language.

in 2013 a "Code of Conduct Booklet", which compiles all reference documents and forms:

- the Code of Conduct;
- the Implementing Measures for the Code of Conduct;
- the Code of Conduct Users' Guide;
- the Members' Statute; and
- the Code of Conduct declaration/notification forms.

4.2 Dedicated Website

All information relating to the Code of Conduct and the activities of the Advisory Committee are to be found on Parliament's website, on its general page devoted to Members⁷.

In its Annual Report 2012, the Advisory Committee underlined the need to improve the substance, placing, visibility and traceability of transparency-related information on Parliament's website. This has led to the creation of a dedicated "Ethics and Transparency" webpage: a single entry point bringing together documents and information relating not only to the Code of Conduct for Members, but also to the Transparency Register for entities and organisations participating in European policy-making processes, to the public access to Parliament's documents, and to the rules that must be observed by Parliament's staff⁸.

4.3 Advisory Committee Secretariat

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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⁷ <http://www.europarl.europa.eu/aboutparliament/en/0081ddfaa4/MEPs.html>

⁸ <http://www.europarlpp.ep.ec/aboutparliament/fr/0060f4f133/%C3%89thique-et-transparence.html>