

Singapore Institute of International Affairs

SIIA CONFLICT OF INTEREST POLICY AND ANNUAL STATEMENT

Table of Contents

Purpose	1
Definitions	1
Conflict of Interest Policy	2
Managing Conflict of Interest	2
Confidentiality	4
Appendix A - Conflict of Interest Situations	5

Purpose

This conflict of interest policy is designed to help council members and employees of the SIIA identify situations that present potential conflicts of interest and to provide SIIA with a procedure to appropriately manage conflicts in accordance with legal requirements and the goals of accountability and transparency in SIIA's operations.

The purpose of this conflict of interest policy is to protect SIIA's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an employee or Council Member of SIIA OR might result in a possible excess benefit transaction.

Definitions

1. **Interested person** -- Any council member or employee of the SIIA with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial interest**¹ -- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family²:
 - a. An ownership or investment interest in any entity with which SIIA has a transaction or arrangement;
 - b. A compensation³ arrangement with SIIA or with any entity or individual with which SIIA has a transaction or arrangement; or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SIIA is negotiating a transaction or arrangement.
3. **Excess Benefit Transaction** -- Improper benefit from a transaction or participation in a transaction knowing that it was improper.
4. **Executive Council** -- Executive Council comprises of the Chairman, Honorary Treasurer and Honorary Secretary.

Other situations may create the *appearance of a conflict*, or present a *duality of interests* in connection with a person who has influence over the activities or finances of the SIIA. All such circumstances should be disclosed to the council, as appropriate, and a decision made as to what course of action the organization or individuals should take so that the best interests of the SIIA are not compromised by the personal interests of stakeholders in the SIIA.

For Situations that may raise Conflict of Interest please refer to "Appendix A"

¹ A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Executive Council decides that a conflict of interest exists, in accordance with this policy.

² Family refers to the following: spouse, domestic partner, child, mother, father, brother or sister or close associate.

³ Compensation includes direct and indirect remuneration as well as gifts or favours that are not insubstantial.

Conflict of Interest Policy

Disclosure: All council members and employees of the Singapore Institute of International Affairs shall provide a disclosure of their interests in all other organisations in which they are directors or have control or have a substantial shareholding or monetary interest to the Chairman or the Executive council, when they are newly appointed and whenever there are updates. Such disclosures shall be circulated to all Council members and any potential conflict of interests documented.

Staff Appointment of Related Parties: Appointment of paid staff, who is a family member of Council members or other existing staff and related parties, shall be notified to and be approved by the Chairman or the Executive council, in addition to being employed only through the established human resource procedures for recruitment. Council members, paid staff or related parties shall make a declaration of such relationships and refrain from influencing decisions during the recruitment process.

Managing Conflict of Interest

- ✓ **Duty to Disclose** -- In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Executive council.
- ✓ **Recusal of Self** – Any Council Member may recuse him or herself at any time from involvement in any decision or discussion in which the Council Member believes he or she has or may have a Conflict of interest, without going through the process for determining whether a conflict of interest exists.
- ✓ **Determining Whether a Conflict of Interest Exists** -- After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the meeting while the Determination of a conflict of interest is discussed and voted upon. The Executive council shall decide if a conflict of interest exists by majority i.e. Two thirds.

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

- a. The conflicting interest is fully disclosed;
 - b. The person with the conflict of interest is excluded from the discussion and approval of such transactions;
 - c. A competitive bid or comparable valuation exists; and
 - d. The Executive Council has determined that the transaction is in the best interest of the institute.
- ✓ **Addressing the Conflict of Interest**
 - a. An interested person may make a presentation at the Council /Trustee or Executive council meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

- b. The Chairman or Executive council shall, if appropriate, appoint a neutral person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Executive council shall determine whether SIIA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Executive council shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in SIIA's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

✓ **Violations of the Conflicts of Interest Policy**

- a. If the Executive council has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Executive council determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

✓ **Records of Proceedings**

The minutes shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Executive council's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

✓ **Compensation**

- a. A member of the Council, who receives compensation, directly or indirectly, from SIIA for services is precluded from voting on matters pertaining to that member's compensation.
- b. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from SIIA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

✓ **Statement**

1. Each Council member, or employee of SIIA shall at the time of appointment or hiring sign a statement which affirms such person:
 - a. Has received a copy of the conflict of interest policy;
 - b. Has read and understands the policy;
 - c. Has agreed to comply with the policy; and
 - d. Understands SIIA is a charity and Institute of Public Character in order to maintain its tax exemption status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
2. If at any time during the year, the information in the statement changes materially, the Council Member shall disclose such changes and revise the disclosure form.
3. The Executive council shall regularly and consistently monitor and enforce compliance with this policy by reviewing the statement and taking such other actions as are necessary for effective oversight.

✓ **Periodic Reviews**

To ensure SIIA operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to SIIA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

Confidentiality

Each Council member, employee and volunteer shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of SIIA. Furthermore, Council member, employees and volunteers shall not disclose or use information relating to the business of SIIA for their personal profit or advantage or the personal profit or advantage of their Family Member(s).

The End

Appendix A - Conflict of Interest Situations

a. Contract with vendors

Council / committee members, staff or volunteers have personal interest in business transactions or contracts that the Singapore Institute of International Affairs may enter into.

b. Vested interest in other organisations that have dealings/ relationship with the Singapore Institute of International Affairs

Where council/ committee members, staff or volunteers who have vested interest in other organisations that have dealings/ relationship with the Singapore Institute of International Affairs.

c. Joint Ventures

The council's approval should be sought before the Singapore Institute of International Affairs enters into any joint venture with external parties.

b. Recruitment of staff with close relationship

Recruitment of staff with close relationship (i.e. those who are more than just mere acquaintances) with current council/ committee members, staff or volunteers should go through the established human resource procedures for recruitment.

c. Remuneration of Council

Council members should serve without remuneration for their voluntary service to the Singapore Institute of International Affairs so as to maintain the integrity of serving for public trust and community good instead of personal gain. However, the Singapore Institute of International Affairs may reimburse council members or volunteers for out-of-pocket expenses directly related to the service.

d. Paid staff on council

Paid staff, including the executive head and senior staff employed by the Singapore Institute of International Affairs, should not serve as a member of the council as it may raise doubts on the integrity of council decisions. The executive head and senior staff can attend council meetings, ex-officio, to provide information and facilitate necessary discussion but should not take part in the decision-making of the council.

e. Major donors/ representatives from major donor companies being on the Singapore Institute of International Affairs Council

Potentially conflicting situations may arise where a major donor sits on the Singapore Institute of International Affairs council, such as the following:

- Conflict of loyalty: Council member may not have the overall best interests of the charity due to their vested interests/ priorities. This may influence decisions relating to allocation of resources/ setting the institute's directions. (There maybe particular programme areas the council member is vested in and is biased towards.)

- Use of information to influence donor decisions: Information accessible to council members may be used to influence donor's decision on allocations or the corporation they represent. This may result in staff not highlighting certain issues for fear that the donation may be affected. Issues of transparency and disclosure can arise.
- Pressure to release additional information to donor: Council member may expect additional information from staff on how donations were used and the details of users.
- Personal benefit/ gain/ recognition: The council member may expect greater recognition for financial support given, than is usually done. Staff may feel beholden to this council member in case the donor relationship is threatened.

f. Others

- A council member's organisation receives grant funding from the organisation he/ she is serving.
- Gifts, entertainment and other favours from any persons or entities which do or seek business with the institute.