

Conflict of Interest – A Study

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I. Introduction

In a vibrant democracy like India where elected representatives derive their authority from the electorate, norms on the ethical conduct of legislators and conflict of interest need to be taken seriously. Members of Parliament often come from diverse backgrounds like agriculture, law, social work, education etc, and are often nominated as members to the various parliamentary committees. However, there may be situations where the pecuniary interests of the members might be in conflict with their respective duties as either members of a particular parliamentary committee or as a minister in the cabinet. In such cases, a possibility exists for the MPs to influence public policies to serve their private interests. The abuse of office for private gain by MPs have been recorded in many cases over the years. This paper analyses the lacunae in law regarding conflict of interest for MPs in India. It also draws comparisons with laws in countries like the UK, USA, Canada and Australia on conflict of interest. It is hoped that the laws regarding conflict of interest are strengthened for greater disclosure and stricter penalty in case of the abuse of office.

Conflict of interest may arise in situations where a legislator benefits directly or indirectly in a private capacity from the conduct of his public duties. Interest could be of two broad categories; pecuniary or non-pecuniary interest. Pecuniary interests involve an actual or potential financial gain or loss. Money does not need to change hands for an interest to be pecuniary. People have a pecuniary interest if they (or a relative or other close associate) own property, hold shares, have a position in a company bidding for government work, or receive benefits (such as concessions, discounts, gifts or hospitality) from a particular source.

Non-pecuniary interest do not have a financial component. They may arise from personal or family relationships, or involvement in sporting, social or cultural activities. They include any tendency toward favour or prejudice resulting from friendship, animosity, or other personal

¹ The authors work with the Association for Democratic Reforms, (www.adrindia.org).

involvement with another person or group². Some types of non-pecuniary interest are; ‘nepotism’, where a legislator may employ the influence of his/her public office to benefit a relative or friend and ‘pork barrelling’, wherein a legislator uses the influence of his/her public duties to accord special status or benefit to only those areas where the legislator can reap electoral rewards, particularly when government spending is appropriated for localised projects that seek to benefit only the legislator’s constituents.

II. Why managing conflicts of interest is important?

It must be stated at the outset that theoretically, a few Members of Parliament would have unavoidable conflict of interest. Members of Parliament are also private individuals with stakes in different types of business or professions; with pecuniary or non-pecuniary interests directly relating to them or their close friends and family. It is sometimes unavoidable to have a conflict of interest during the performance of certain public duties.

In reality, conflict of interest is properly understood as a situation, not an action, and it is clear that a public official may find him or herself in a conflict of interest situation without actually behaving corruptly³. In view of this, it becomes paramount to have a system in place which helps manage conflict of interest that hinder the objective actualization of public policies and instead profit the private interests of the legislator. While members of Parliament might have pecuniary or non-pecuniary interests directly related to the committees they are a member of, it becomes an issue of ‘conflict’ of interest in the absence of a structure of disclosure, non-recusal from the committee and the influencing of policies for private interests.

Managing conflicts of interest reduces incidents of corruption and nepotism. It prevents big businesses from influencing policies at the centre or state for only their benefit. The ideals of fair policymaking are not compromised for the narrow benefit of a powerful few. Reducing the incidents of appropriation of public funds for the benefit of private interest goes a long way in ensuring public confidence in the Government.

Disclosure of business or pecuniary interests are the first step towards managing conflict of interest. A responsive system of scrutiny of pecuniary and non-pecuniary interests that may

² Managing Conflicts of Interest in the Public Sector - Guidelines, Independent Commission Against Corruption, November 2004

³ Dr. Londa Esadze, Guidelines for Prevention of Conflict of Interest, PLAC Project, November 2013, (<http://plac.euinfo.rs/wp-content/uploads/2013/11/Londa-Esadze-Guidelines-for-Prevention-of-Conflict-of-Interest.pdf>)

influence public policy is central to accountable governance at the centre and the state. Punitive action tied in to incidents of transgressions further strengthen this system.

According to Arun Gupta, convener of Alliance Against Conflict of Interest (AACI), there are several forms of conflicts of interest in public policymaking in India. These are inclusion of “experts” from industry in regulatory bodies; the revolving door phenomenon, which means policymakers and government officials move in and out of industry that they regulate; incentives to policy makers, regulators and monitors including payment of their salaries; ownership of stocks and shares by the regulators of the companies they regulate; presence of the private sector experts in policy making/recommendatory bodies such as National Technical Advisory Group on Immunization (NTAGI), and institutional conflict of interest and Public Private Partnerships (PPPs) in general⁴.

III. Mechanisms of Addressing Conflict of Interest

According to a study on Conflict of Interest by PRS, in order to manage conflicts of interest there are four broad levels of regulation that may be used⁵:

Declaration: Legislators may be required to disclose interests where they hold pecuniary interests (income from employment, shareholding, and directorship) and non-pecuniary interests (membership of an interest group). Such a register of interests is currently being maintained in the Rajya Sabha.

Declaration of interests may be seen as the single most important component of a framework for tackling conflicts of interest: they are a fundamental instrument of transparency, they provide an incentive for officials to put their affairs in order, and serve as a necessary condition for other components of the regulatory framework to work – in particular exclusion from decision-making and detection of conflict of interest situations. Article 8.5 of the United Nations Convention Against Corruption⁶ obliges parties to the Convention to

⁴ Kundan Pandey, ‘Conflict of interest: when Narendra Modi’s remark triggered the debate’, Published in Down to Earth, Online Edition – April 24, 2015 (<http://www.downtoearth.org.in/content/conflict-interest-when-narendra-modi-s-remark-triggered-debate/>)

⁵ ‘Conflict of Interest Issues in Parliament: Background Note for Conference on Effective Legislators’, PRS Legislative Research, (<http://www.prsindia.org/uploads/media/Conference%20note/Conference%20note%20on%20Conflict%20of%20Interest.pdf>)

⁶ United Nations Convention Against Corruption, (<http://www.unodc.org/unodc/en/treaties/CAC/index.html>)

establish measures and systems requiring public officials to make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result with respect to their functions as public officials.

Recusal: In some cases, the legislator may be asked not to participate in the discussion or vote on a topic where there may be a conflict of interest.

Incompatibility: Legislators may be prohibited from holding government jobs or some types of private jobs. There may also be restriction related to post-tenure employment.

Regulation of Gifts and Travel: There may be restrictions on the value and source of gifts that an elected official may receive.

Conflict of interest legislation or codes of conduct are all-too-often passed without any provision, or with inadequate provision for mechanisms of their implementation and enforcement. Hence appropriate provisions for implementations and enforcement are required.

IV. Conflict of Interest in India – Past Instances

A study by NGO Social Watch India showed 128 of the 543 members of the 15th Lok Sabha came from the business class. In 2010, the then Union Urban Development minister S. Jaipal Reddy had cautioned that nearly one-fourth of all Lok Sabha Members could potentially have conflicts of interest with the business of the House⁷. Incidents of serious conflict of interest with parliamentarians and their public duties have been rampant in the recent past.

According to a report by the Economic Times, Hema Malini, as an MP asked the government whether there were any plans to reduce excise duty of RO Purifiers. At that time, she was also the brand ambassador of a water purifier (Kent RO purifiers). Similarly, CD Mayee, former co-chairperson of Genetic Engineering Approval Committee (GEAC) was on the board of International Service for Acquisition of Agri Bio-Tech Applications, an international network supported by donors such as Monsanto and Mahyco while heading the GEAC. Most famously, N Srinivasan, BCCI secretary, later president and owner of IPL team CSK allegedly changed

⁷ Samanwaya Rautray & Uma Goswami, 'Conflict of interest rampant in India's corporate sector, politics & financial markets', Published in Economic Times, Online Edition – June 9, 2013 (http://articles.economictimes.indiatimes.com/2013-06-09/news/39834855_1_most-mps-jairam-ramesh-serious-conflict)

the rules in 2008 to allow administrators to own IPL teams. Mr. Sashi Tharoor was forced to resign over the controversy on the sale of the IPL Kochi franchise⁸ and Mr. Ashok Chavan was replaced after the Adarsh Housing Scam⁹; both incidents arising out of a conflict of interest.

The remarkable matter to note is that despite many such incidents of clear conflict of interest, stricter norms of disclosure of business interests and laws for punitive action against MPs in cases of violation have not been passed. In fact, as recently as in April, 2015 BJP MPs Shyama Charan Gupta and Dilip Gandhi, who head the parliamentary committee, had questioned the theory that tobacco causes cancer. Gupta, a bidi baron, was part of Parliamentary Committee of Subordinator Legislation. The Prime Minister in response stated that MPs with conflict of interest should stay away from parliamentary committees¹⁰.

On April 27 2012, Congress MP from Tamil Nadu, Sudarsana Natchiappan moved a private members' bill titled Prevention and Management of Conflict of Interest Bill¹¹ which was introduced in the Rajya Sabha but failed to pass muster. The bill explores the aspects of disclosure and recusal from a specific decision. It seeks to bring all public servants, ministers, consultants in public bodies and consultative committees under its ambit.

V. Laws on Conflict of Interest in India

Regulations on conflict of interest in India can be found in the Code of Conduct for Members of the Rajya Sabha and recommendations of the Committee on Ethics for Lok Sabha. Chapter XXIV of the Rules of Procedure and Conduct of Business in the Council of States, provides for constitution of the Committee on Ethics to oversee the moral and ethical conduct of Members. The Second report of the Committee on Ethics for Rajya Sabha laid down the framework for the Code of Conduct for Members of the Rajya Sabha, which included the maintenance of a 'Register of Interest' which listed down the pecuniary/business interests of Rajya Sabha members¹².

⁸ CricInfo, 'Indian minister quits over Kochi franchise deal', April 18, 2010 (<http://www.espnricinfo.com/ipl2010/content/story/456550.html>)

⁹ NDTV, 'Adarsh Society scam: Who will replace Ashok Chavan?', October 31, 2010 (<http://www.ndtv.com/india-news/adarsh-society-scam-who-will-replace-ashok-chavan-437761>)

¹⁰ Huffington Post, Tobacco Controversy: PM Narendra Modi Wants MPs With Conflict Of Interest Out Of Parliamentary Committees, April 5, 2015, (http://www.huffingtonpost.in/2015/04/05/tobacco-controversy-modi_n_7005592.html)

¹¹ 'The Prevention And Management Of Conflict Of Interest Bill, 2011' (<http://www.aaci-india.org/COI/conflict-E.pdf>)

¹² Second Administrative Reforms Commission, Fourth Report, 'Ethics in Governance', January 2007

The principles laid down in the Code of Conduct for Members of the Rajya Sabha states that it is the responsibility of the MPs to ensure that should their private financial interests come in conflict with their public duties, they should be resolved in such a manner that the public interest is not jeopardized. Members should never expect or accept any fee, remuneration or benefit for a vote given or not given by them on the floor of the House, for introducing a Bill, for moving a resolution, raising a question or abstaining from asking a question or participating in the deliberations of the House or a Parliamentary Committee.

Apart from this members should also not take a gift, which may interfere with honest and impartial discharge of their official duties. If Members are in possession of confidential information owing to their being Members of Parliament or Members of Parliamentary Committees, they should not disclose such information for advancing their personal interests.

Similarly, the Committee on Ethics of the Lok Sabha in its First Report recommended that the members should use public resources in such a manner as may lead to public good and conflict between private financial/family interest should be subordinated to the interest of the public. In its second report, the Committee on Ethics of the Lok Sabha gave detailed recommendations on instituting a Register of Members' Interest and managing conflict of interest. These recommendations however, have not been implemented as yet.

The Rules of Procedure and Conduct of Business in the Lok Sabha prescribe that if the vote of a Member in a division in the House is challenged on grounds of personal, pecuniary or direct interest in the matter to be decided, the Speaker may examine the issue and decide whether the vote of the Member should be disallowed or not and his decision shall be final. Furthermore, the Handbook for Members provides that a Member having personal, pecuniary or direct interest in a matter to be decided by the House is expected, while taking part in the proceedings on that matter, to declare his interest.

VI. Conflict of Interest – A Comparative Study

In the fourth paper for the Legislative Research Series, the National Democratic Institute for International Affairs¹³ studied the laws for conflict of interest in countries over the world. The following analyses the norms with regard to conflict of interest over the world.

According to the National Democratic Institute for International Affairs¹⁴, “Self-regulation is often insufficient to effectively enforce ethics regulations. For this reason, many countries have tasked an independent or non-partisan entity to monitor compliance with ethical codes – as in the case of the Parliamentary Commissioner for Standards in the United Kingdom. The code of conduct is enforced by the Committee on Standards and Privileges, and it is the duty of the Commissioner to advise the Committee, maintain the Register of Members’ interests, advise members, confidentially, on registration matters, monitor the operation of the code and the register; and finally, receive and, if appropriate, investigate complaints from legislators and citizens. Whilst the Commissioner cannot impose penalties, a power left to the Committee, he or she brings to the role greater levels of impartiality than might reasonably arise from the self-monitoring of an ethics committee.” Should the Commissioner find evidence of a violation, he or she reports the facts and conclusions to the Select Committee on Members’ Interests, and that Committee determines whether the case should be reported to the full House. Similar institutional models have been put in place in countries like Ireland and Canada.

The ethics rules for the British House of Commons for example stated that members were required to register all financial interests. Further, they were prohibited from taking any payment for speaking in the House. Nor were they allowed, for payment, to vote, ask a Parliamentary Question, table a Motion, introduce a Bill or move an Amendment to a Motion or Bill or urge colleagues or Ministers to do so.

In Australia, Canada and South Africa, legislators are prohibited from voting on any matter that may be construed as a conflict of interest. A similar prohibition on conflicts of interest was adopted by the Swedish parliament wherein a member, “may not participate in the deliberations of the Chamber or be present at a meeting of a committee on a matter which concerns him [or her] personally or a close relative.”

¹³ “Legislative Ethics: A Comparative Analysis,” Legislative Research Series, Paper 4, National Democratic Institute for International Affairs, 1999

¹⁴ ‘Parliament and Democracy in the Twenty-First Century’, David Beetham

Instances of conflict of interest leading to legislative misconduct may occur even after an MP leaves office. This is because legislators often enjoy access to privileged information and through their government connections may be able to exert undue influence over their former colleagues. Four countries in particular have laws in place to prevent such instances of conflict of interest. France prohibits post-employment in any corporation owned or subsidized by the government, and also in real estate-related firms or banks. Korean members face a two-year ban on working in corporations that have substantial ties with the legislature. Members of the United States Congress (and senior staff) are barred from attempting to influence, communicate with, or appear before Congress for one year after leaving office. Canada confines the post-employment activities of ministers only.

Disclosure norms for pecuniary and non-pecuniary interests are in place for members of the Rajya Sabha in India. However, MPs are not required to disclose the business interests of their family members. Legislators could circumvent financial disclosure rules directed solely at members by transferring wealth to other members of their family. Some countries like Australia, Taiwan, and the United States impose identical requirements of disclosure on the family members.

The United States Congress places strict restrictions on receiving gifts wherein members and their staff may not accept gifts valued at greater than \$50. Other countries like Australia, Germany and Italy require legislators to disclose gifts received by legislators above a certain amount. Korea limits its disclosure requirements to gifts acquired from foreign sources.

On enforcement of norms to prevent instances of conflict of interest some countries have instituted regulatory commissions. Taiwan's Control Yuan is a quasi-judicial government branch whose members are appointed by the Taiwanese President with the consent of the upper house. The Control Yuan decides if members have violated any disclosure provisions and, if so, may impose fines. If fines are not paid, the Control Yuan refers the matter to the courts.

In Canada, the responsibility of administering the *Conflict of Interest Act* and the *Conflict of Interest Code for Members of the House of Commons* lies with the Conflict of Interest and Ethics Commissioner who is an independent Officer of Canada's Parliament. This helps bring out a non-partisan and neutral approach to settling the disputes regarding conflict of interest issues.

The office in Canada:¹⁵

- Provides confidential advice to public office holders and elected Members of Parliaments about how to comply with the act and the code.
- Reviewing their confidential reports, on matters such as assets, liabilities and activities
- Making information available
- Investigating possible contraventions
- Reporting to the parliament

The issue of conflict of interest is neither unique to India, nor insurmountable. As evidenced by the steps undertaken by other countries in this aspect, a well-structured mechanism of disclosure and recusal in place can go a long way in combating this issue.

--Refer to the Annexure for a detailed comparison of conflict of interest laws over the world.

VII. The Way Forward

A specific mechanism for disclosure of pecuniary interests is maintenance of a 'Register of Interests' which is currently being practised only in the Rajya Sabha. Parliamentarians are expected to record in the register all their interests periodically. In order to make the system practical, the types of interest, which require disclosure, are prescribed. Rajya Sabha members are required to mention the following types of pecuniary interests:

1. Remunerative Directorship.
2. Regular Remunerative Activity.
3. Shareholding of a Controlling Nature.
4. Paid Consultancy.
5. Professional Engagement.

Currently this mechanism of disclosure is not followed in the Lok Sabha and it is recommended that a register be instated in the Lok Sabha.

¹⁵ Office of Conflict of Interest and Ethics Commissioner, (<http://ciec-ccie.parl.gc.ca/EN/AboutUs/WhatWeDo/Pages/default.aspx>)

Association for Democratic Reforms analysed the Register of Members' Interest of 211 sitting MPs of the Rajya Sabha as on 20th April, 2015. Based on the analysis it was found that 124 sitting MPs of Rajya Sabha had declared that they had no pecuniary interests whatsoever under any of the heads. There is currently no mechanism for scrutiny of these statements and no penalty in case of wrong disclosure. The pecuniary details provided in the Register of Interest should be provided to the Income Tax authorities or other appropriate body for cross-checking with the Income Tax Returns filed by the MPs.

Further, the business and pecuniary interests of the spouse and dependents should also be declared by the MPs along with their own business interests. In line with the rules regarding election affidavits, no field on the form should be left blank.

Taking the cue from countries like Canada and Britain, an independent authority should be appointed to collect, review and scrutinise statements of business interest and non-pecuniary interests disclosed by parliamentarians. Further, the independent authority would be responsible for reporting cases of violation to the Parliament and would provide confidential advice to public office holders and elected Members of Parliaments regarding how to comply with the act and the code.

Public-Private Partnerships form a vital component of governance and delivery of services in India. Parliamentarians should be prohibited from working in any corporation owned or subsidized by the government or that have substantial ties with the legislature, and also in real estate-related firms or banks for two years after their term.

Upon found guilty of violating norms regarding conflict of interest by the independent authority appointed to investigate the same, a heavy fine should be imposed on the parliamentarian in question. Violation could be in the form of failure to register business or pecuniary interests within 30 days from the start of the term, or updating the register annually, or failure to register a conflict in interest on an issue and recusing oneself from the committee, voting procedure, questions asked and any other participation on the issue.

VIII. Conclusion

Clean politics in democratic countries is subject to the effective and productive operation of democratic institutions as well as sustainable trust and guiding principles in government, namely openness, transparency and accountability. Public interest, fair treatment and accountability are the major principles for the appointed and elected officials in office. Pursuing private interest in a public office such as self-dealing, outside employment, and accepting a bribe from friends or lobbying for private interest in the policy-making process or exercising influence on justice for private or political purposes undermine public interest. Conflicts of interest undermine trust. They make the public lose faith in the integrity of governmental decision-making processes. These end up with corruption and erosion of democratic governance¹⁶.

It is important therefore, to manage these conflicts of interest in the public space through institutional mechanisms, a system of penalties in case of violations and a strict disclosure system. Most importantly, however, this problem can only be combated through the participation of legislators in maintaining the spirit and letter of the Code of Conduct in the Lok Sabha and Rajya Sabha. Members of Parliament are repositories of public trust and are expected to behave incorruptibly in the public space upholding the sanctity of their position in the Parliament.

¹⁶ Ethics for the Prevention of Corruption in Turkey, Academic Research Report, 'Conflict of Interest', May 2009

Country Comparisons – Conflict of Interest Laws

Data source: “Legislative Ethics: A Comparative Analysis,” Legislative Research Series, Paper 4, National Democratic Institute for International Affairs, 1999

Table 1

Country	Code of Conduct	Ethics Rules and Financial Disclosure Requirements		
		Conflict of Interest Restrictions	Employment Restrictions During Tenure	Post-Tenure Employment Restrictions
Australia	No standard code of ethics governs the conduct of the members, although members must disclose financial assets. A bill to adopt a code of conduct was introduced in 1995, but has not been adopted.	The constitution (Arts. 44 and 45) and House Standing Order 196 prohibits members from voting on questions in which they have a direct pecuniary interest.	General members may not simultaneously occupy the following posts: member of a state or territory legislature or of the other house of parliament, holders of an “office of profit” or pension payable out of public funds (except ministers and members of the armed forces), officers of the electoral commission, or, unless excepted, person with any financial interest in an agreement with the government. Convention dictates that ministers must resign directorships in public or quasi-public companies, and should not accept retainers or income from personal exertion other than that laid down as their remuneration as ministers and members of parliament.	None.
Canada	Ministers and parliamentary secretaries must abide by the 1994 Conflict of Interest and Post-Employment Code that outlines ethical standards, public scrutiny, decision-making and private and public interests. The Code also prohibits the use for personal gain of information obtained during official duties. Members who do not occupy ministerial positions are exempt.	House Standing Order 21 (1991) bars all members from voting on any question in which they have a pecuniary interest.	Section 18 of the Code prohibits ministers from engaging in practice of an outside profession, actively managing or operating a business, holding directorships in commercial or financial corporations, holding office in a union or professional association, or serving as a paid consultant. General members may not simultaneously occupy the following posts: certain public and election offices, members of provincial legislatures, or judgeships.	Ministers are barred for two years from employment by or representation of any entity with which they had significant official dealings. Other appointed officials are similarly barred after leaving office for a period of one year.

Country	Code of Conduct	Ethics Rules and Financial Disclosure Requirements		
		Conflict of Interest Restrictions	Employment Restrictions During Tenure	Post-Tenure Employment Restrictions
France	Existence of code unknown. French constitutional theory considers that members represent the entire nation rather than individual constituencies. As such, private interests tend to focus on parties rather than individual members. Therefore, conduct laws in this area are found in the electoral code.	Members must avoid any conflict of interest or undue influence during their mandate.	General members may not simultaneously occupy the following posts: members of the government, members of the Constitutional Council, senators, members of the Economic and Social Council, judges, civil servants, career members of the armed forces, holders of certain functions bestowed by foreign states, international civil servants, leadership posts in a national enterprise, a state-aided company, a financial company mobilizing public savings, a real estate firm, acceptance of advisory duties during the term, any other important elected post. Outside these restrictions, there are no formal limitations placed on outside income.	Members may accept outside employment after leaving office, provided they do not hold a position in any corporation that is either government subsidized or primarily undertakes local or foreign government contracts. Members are also restricted from employment by either real estate or savings institutions.
Germany	Although no formal code exists, general parliamentary conduct is regulated by the constitution, legislative rules and public laws: Constitution Arts. 38 and 48, Ethics Rules of the Federal Diet (1972, amended 1982, 1986), and the Act on Political Parties (1994) and Act of the Legal Status of Members of the Federal Diet (1994). The criminal code prohibits “buying or selling votes to be cast in a parliamentary assembly.”	Members must disclose any conflict of interest on legislative matters, but once disclosed can still participate in deliberations.	General members may not simultaneously occupy the following posts: ministerial post in a federal state, member of Federal Audit Office, judge or member of Bundesrat.	None.
India	None.	Public officials are prohibited from taking gratification other than legal remuneration by the Prevention of Corruption Act of 1988.	General members may not simultaneously occupy the following posts: members of the armed forces, certain “offices of profit” (e.g., public offices, government contractors).	None.
Italy	Unknown.	Unknown.	General members may not simultaneously occupy the following posts: certain public posts (including judgeship of the Constitutional Court and the Superior Committee of the Magistrate, and membership of the National Council of Economy	Ministers may not hold any positions cited in previous category for period of one year

Country	Code of Conduct	Ethics Rules and Financial Disclosure Requirements		
		Conflict of Interest Restrictions	Employment Restrictions During Tenure	Post-Tenure Employment Restrictions
			and Labour), executive of a state enterprise or state-assisted company. Ministers may not receive compensation for exercising functions in entities that pertain to their ministries.	after they have ceased their responsibilities.
South Africa	The introduction to the Code of Conduct In Regard to Financial Interests (1996) lays out general goals of the Code. It specifically prohibits adherents from placing “himself or herself in a position that conflicts with his or her responsibilities as a public representative in Parliament, nor may he or she take any improper benefits, profit or advantage from the office of member.” (§1.1.3)	Members with a specific pecuniary interest in a matter being debated must declare that interest and refrain from voting or debating on that matter.	General members may not simultaneously occupy the following posts: any “office of profit” (e.g., public servants, armed forces) under the state or president of the republic.	Unknown.
South Korea	Constitution states that members must maintain high standards integrity, act in the public interest, and shall not use their positions for personal gain.	Constitution bars members from holding concurrent offices as prescribed by law. (Art. 43) The Law Concerning Ethics in Public Service (1981, revised 1993) outlines financial disclosure procedures and states that no member shall receive pecuniary interests from persons involved in matters connected with proposed bills or legislation.	General members may not simultaneously occupy the following posts: certain government officials, adjudicators of the Constitution Court, members of local legislatures, members of the armed forces, holders of election-connected offices, or officers and employees of public corporations or of agricultural, marine and rancher co-operatives.	The Law Concerning Ethics in Public Service (1981, revised 1993) prohibits members, for a period of two years, from accepting any position in a profitmaking enterprise that is closely connected with their service in the Assembly.
Sweden	Unknown.	Law on Registration of Members of Parliament’s Engagements and Economic Interests (1996) excludes members from deliberating issues relating any member to “a person	Although ministers (as well as the speaker) may not serve as members of parliament while in office, they may retain their seats which, in the meantime, are held by substitute members, and may take up their parliamentary duties if and when they leave the government. Incompatible posts for general members unknown.	Unknown

Country	Code of Conduct	Ethics Rules and Financial Disclosure Requirements		
		Conflict of Interest Restrictions	Employment Restrictions During Tenure	Post-Tenure Employment Restrictions
		with whom he or she has close personal links.”		
Taiwan	Unknown	The constitution (Art. 75) prohibits members from occupying other government post concurrently with their legislative positions.	Unknown.	None.
UK	The Code of Conduct for Members of Parliament (1995) defines general norms of public duty, personal conduct and obligation to register interests. The Code also includes general prohibitions on the acceptance of bribes, paid advocacy, and misuse of information.	Members must declare all relevant past and potential interests before debating an issue relating to those interests. Relevant interests must also be reported to ministers and other servants of the Crown, as well as to any standing committee on which the member may serve concerning issues relating to those interests. Members may not take payment for speaking in the House. Nor may members, for payment, vote, ask a parliamentary question, table a motion, introduce a bill or table or move an amendment to a motion or bill or urge colleagues or Ministers to do so.	General members may not simultaneously occupy the following posts: membership in the armed forces, policemen, civil servants, certain judicial offices, clergymen (except of non-conformist churches), peers, membership in a large number of public boards and tribunals.	None.
USA	Code of Official Conduct (House Rule XXIV, 1968, amended 1992) instructs members, officers and staff to conduct themselves at all times in a manner which reflects creditably on the House. The Code is more detailed than others surveyed, listing among other items: prohibitions on gifts, conflicts of interest, the	Rule XXIV (1992) states that “A Member, officer, or employee of the House of Representatives shall receive no compensation nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of which would occur by virtue of influence improperly exerted from his position in the Congress.”	Members may not simultaneously occupy the following posts: any civil office under the authority of the United States; may not engage in any outside, compensated professional employment involving a "fiduciary" relationship, such as attorney or doctor; may not be compensated as a board member or officer of corporations or organizations; are limited in all outside earned income to an amount not exceeding 15% of their official salary; may not receive any "honorarium" for a speech, appearance or article. (House Rule XXVI. See also Ethics Reform Act of 1989)	Members and senior staff are barred from attempting to influence, communicate with, or appear before Congress for one year.

Country	Code of Conduct	Ethics Rules and Financial Disclosure Requirements		
		Conflict of Interest Restrictions	Employment Restrictions During Tenure	Post-Tenure Employment Restrictions
	intermingling of a member's personal and campaign funds, improper use of official resources.			

Table 2

Country	Ethics Rules and Financial Disclosure Requirements			
	Who Must File a Financial Disclosure Statement and When	Overview of Financial Disclosure Requirements	Financial Disclosure of Spouses and Children	Public Access to Financial Disclosure Statements
Australia	All members must file Register of Members' Interests within 28 days of taking office. Members must file changes within 28 days from the beginning of each session and within 28 days of a change occurring in a disclosure category. (House Resolutions, adopted 1984; amended 1986, 1988, 1994)	Members must declare any holding valued at more than A\$5000 (US\$3,300 in 1999), including but not limited to: shareholdings in public and private companies, family and business trusts, real estate, directorships, partnerships, liabilities, and investments. (House Resolutions, adopted 1984; amended 1986, 1988, 1994)	All disclosure requirements that apply to members also apply to their spouses and dependent children. (House Resolutions, adopted 1984; amended 1986, 1988, 1994)	The Registry of Members' Interests must be made available for inspection by "any person under conditions to be laid down by the Committee of Members' Interests from time to time." (House Resolutions, adopted 1984; amended 1986, 1988, 1994)
Canada	The 1994 Conflict of Interest Code requires all public office holders to file a Confidential Report of all assets and liabilities with the Privy Council Ethics Counselor within 60 days of appointment.	The Report must include all liabilities and declarable assets, such as business interests and property, and controlled assets (potentially affected by Government policy), including securities, commodities, retirement savings plans, and foreign currencies held for speculation.	The assets and liabilities of spouses and children of ministers, secretaries of state and parliamentary secretaries must be declared.	Ministers provide the Ethics Counselor with a confidential financial statement. Certain items are deemed "publicly declarable" by the Ethics Counselor.
France	All members of both the Senate and National Assembly must file declarations of assets with the Committee on Financial Transparency in Politics within 60 days of assuming office.	All outside professional and general activities must be disclosed, whether remunerated or not.	Joint estates held with spouses must be declared.	The Committee maintains the confidentiality of declarations. Except for reports of violations, the Committee will only disclose information to the member.

Country	Ethics Rules and Financial Disclosure Requirements			
	Who Must File a Financial Disclosure Statement and When	Overview of Financial Disclosure Requirements	Financial Disclosure of Spouses and Children	Public Access to Financial Disclosure Statements
Germany	Any member who accepts honoraria, outside income or gifts must disclose their amounts to the president of the Federal Diet. Disclosures are made at the beginning of each legislative term (every four years), or within four weeks of receipt of any additional income, gift or honoraria.	Honoraria or income totaling more than DM5,000 (US\$ 2,600 in 1999) in one month, or DM30,000 (US\$16,000) in one year must be disclosed.	Unknown.	Disclosure statements are not made available to the public.
India	Rajya Sabha members file Register of Members' interest within 30 days of taking office. Parliamentarians are required to disclose their assets and liabilities each year.	Interest disclosure for Rajya Sabha members includes business interests, remunerative activity, non-remunerative activity etc	Not Required when disclosing pecuniary interests in the Rajya Sabha. Required in the asset declarations of Parliamentarians.	The Register of interest and asset declarations are available through the Right to Information applications
Italy	All members are required by law to file annually a financial disclosure report the president of the chamber within 90 days of a candidate being proclaimed the winner, annually, and at the end of their mandate.	All contributions and services exceeding 10 million lire (US \$5,500 in 1999) must be disclosed together with the name of the contributor. All property, company shares, and directorships must be disclosed. Annual tax forms must be disclosed, as well as any variation in assets (both during a member's tenure and after leaving office).	Disclosure requirements also cover a spouse and dependent children, provided they consent to the disclosure.	All disclosure statements are made public by the regional committees.
South Africa	Initial disclosure within 30 days of the opening of the Register of Members' Interest or their election to parliament, and update their interests at annual intervals thereafter.	Members must report shares and other financial interests, remunerated outside employment, directorships and partnerships, consultancies, sponsorships gifts and hospitality, benefits, foreign travel, land, and property and pensions.	Holdings of spouses, permanent companions, and dependent children must be disclosed.	The Register of Members' Interest is divided in two parts. The "Confidential Part" is released to the Committee on Members' Interests only, and includes those items deemed confidential for "good cause" by the Committee. (§3.2.3.1) The Code of Conduct In Regard to Financial Interests (1996 requires the Committee to "investigate and implement the means for the widest possible dissemination of the 'Public Part' of the Register."

Country	Ethics Rules and Financial Disclosure Requirements			
	Who Must File a Financial Disclosure Statement and When	Overview of Financial Disclosure Requirements	Financial Disclosure of Spouses and Children	Public Access to Financial Disclosure Statements
South Korea	The Law Concerning Ethics in Public Service (1981, revised 1993) requires that all members report their assets to the secretariat of the Assembly within 30 days of commencement of term and every year thereafter only if there are changes	Assets (delineation unknown)	Gifts from foreign sources in excess of 100,000 won (US\$83 in 1999) must be declared	Unknown.
Sweden	Members, on a voluntary basis, provide a financial disclosure statement to the parliamentary register.	Members must report all assets, as well as those activities that may yield economic benefits. These statements are recorded in the Registry of Interests.	Not Required.	Registry of Interests is made available to public.
UK	Members are required to register their pecuniary interests within three months of taking office. Any changes in their registrable interests must be noted within four weeks of the change.	The Register of Members' Interests (§ 8-42) requires disclosure in ten categories:(1) directorships;(2) employment;(3) clients/advisees;(4) sponsorships/campaign contributors;(5) gifts exceeding £125 and benefits exceeding 0.5% of parliamentary salary; (6) foreign travel;(7) gifts from foreign sources exceeding 0.5% of salary;(8) land or property;(9) shareholdings; or(10) any other interests relevant to purpose of Register.	Members must disclose travel, gifts, land and property, and shareholdings of their spouses. Members must disclose the shareholdings of their dependent children.	The Register of Members' Interests is published soon after the beginning of a new parliament and annually thereafter. It is open to public inspection in the Committee Office of the House of Commons. Individual entries may be supplied at Commissioner's discretion.
USA	Every member of the House and at least one of his or her principal assistants must file a Financial Disclosure Statement on May 15 of each calendar year (or within 30 days of leaving office). All employees of the legislative branch who are compensated at or above 120% of the GS- 15 level salary (\$85, 073 in 1998) must also file. All candidates for House offices must file a Financial Disclosure Statement once they have raised or spent \$5,000 for campaign purposes. (Title I, Ethics in Government Act of 1978, as amended;	Members must declare all dividends from stocks and shares. Members and other legislative officials who are required to file a Financial Disclosure Statement must identify and provide the value of all assets, ownerships, financial interests, income-producing property valued at more than \$1,000, as well as any transactions on the above items that exceed \$1,000. Liabilities above \$10,000 must be disclosed. Any return on such investments more than \$200 occurring during the reporting period must be disclosed. Personal property that is not principally held for investment or the	Financial disclosure rules for spouses and dependent children are nearly identical to those that apply to members and senior staff Exceptions to this rule are granted only under very limited circumstances. (Title I, Ethics in Government Act of 1978, as amended; 5 U.S.C. app. 6, sec. 102(e)(1); House Rule XLIV; The Ethics Reform Act of 1989)	Statements must be made available to the public within 30 days of filing. Reports are also sent to the appropriate state officer in the state represented by that member. The general public may receive copies of statements for a reasonable fee to cover the cost of reproduction and mailing. All statements are available for six years (or one year for candidates who were not elected). Financial disclosure statements are protected from unlawful or commercial use. (5 U.S.C. Appendix 6, sec. 105)

Country	Ethics Rules and Financial Disclosure Requirements			
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	5 U.S.C. app. 6, sec. 101. House Rule XXVII; The Ethics Reform Act of 1989 “totally revamped these provisions and condensed what had been different requirements for each branch into one uniform title covering the entire federal government.” (<i>House Ethics Manual</i> (1992), p. 160)	production of income (<i>e.g.</i> , personal residence(s), jewelry, paintings, furniture, automobiles, etc.) need not be reported. (Title I, Ethics in Government Act of 1978, as amended; 5 U.S.C. app. 6, sec. 101-111. House Rule XLIV; The Ethics Reform Act of 1989)		

Table 3

Country	Ethics Rules and Financial Disclosure Requirements			
	Gifts	Travel	Entity with Jurisdiction	Complaint and Sanction Mechanisms
Australia	Members are not barred from receiving gifts, unless such gifts present an appearance of conflict of interest. Gifts must be disclosed on Registry of Members’ Interests if valued at more than A\$500 (US\$329 in 1999) for gifts received from official sources, and more than A\$200 if received from unofficial sources. Gifts received from relatives and personal friends are exempt from disclosure. (House Resolutions, adopted 1984; amended 1986, 1988, 1994)	Members must declare sponsored travel or any hospitality received Registry of Members’ Interests. (House Resolutions, adopted 1984; amended 1986, 1988, 1994)	House Committee on Members’ Interests (est. 1984 by Standing Order 28A) makes inquiries into and reports upon the Register of Members’ Interests, considers any issues regarding a code of conduct, and considers which public officers ought to be required to disclose their interests. The Committee is chaired by a member. Members are required to file disclosure statements with Registrar of Members’ Interests (established by House resolutions in 1984). The speaker appoints an MP to act as the Registrar of Members’ Interests. This member also serves as clerk on the Committee of Members’ Interests.	Article 45 of the Constitution states that violating Article 44 (ban on voting on questions in which a member has a pecuniary interests) can result in expulsion. The House has the authority to sanction members for failing to follow proper financial disclosure procedures. (House resolution, 1986)
Canada	Code 22(1) requires that ministers receiving gifts or benefits of at least C\$200 (US\$135 in 1999),	Members are required to report foreign trips paid by foreign entities.	The Code establishes an Ethics Counselor who is responsible for administering the Code. The prime	Office holders who fail to comply with the Code are subject to measures deemed appropriate by the

Country	Ethics Rules and Financial Disclosure Requirements			
	Gifts	Travel	Entity with Jurisdiction	Complaint and Sanction Mechanisms
	except from family and personal friends, must notify the Ethics Counselor and make a public declaration of receipt.	There are no other limits or disclosure requirements.	minister has final authority over disputes.	prime minister, including termination. Members may be fined C\$200 for each day a contravention of conflict of interest violation occurs. Members found peddling influence may be imprisoned for one year and fined C\$2000.
France	No limitations are placed upon a member's receipt of gifts, although all must be declared. However, members traditionally return all gifts, except those from family members, to avoid any appearance of impropriety.	No restrictions are placed upon a member's travel, although it must be declared if paid by another party.	The Committee on Financial Transparency in Politics (comprised of regular and <i>ex officio</i> members) assesses compliance and reports failure to the member's chamber, and to the Office of the Public Prosecutor in the case of large changes in property declarations.	The Constitutional Council examines referrals by the Committee. If the Council finds that either property or campaign finances have not been declared, it has the authority to declare members ineligible for candidacy for one year. With this finding, the Council declares that the member has resigned.
Germany	All gifts totaling more than DM10,000 (US\$5,425 in 1999) must be disclosed. There are no restrictions on the types of gifts that members may receive.	Travel expenses paid for by third parties must be disclosed only if totaling more than DM10,000 (US\$5,425 in 1999).	President of the Federal Diet has jurisdiction over ethics matters.	Only one sanction is available to the president: public disclosure that the guilty member violated ethics provisions. Party-related funds that are illegally received must be forfeited to the president.
India	No restrictions outside criminal code sanctions against bribery.	N/A	Under the Corruption Act, special judges are appointed by the state or central government to try cases of corruption. These judges must have served as a "Sessions Judge" in either a full or assistant capacity prior to their appointment.	None.

Country	Ethics Rules and Financial Disclosure Requirements			Complaint and Sanction Mechanisms
	Gifts	Travel	Entity with Jurisdiction	
Italy	All contributions and services exceeding 10 million <i>lire</i> (US\$5,500 in 1999) must be disclosed together with the name of the contributor.	All contributions and services exceeding ten million <i>lire</i> (US\$5,500 in 1999) must be disclosed together with the name of the contributor.	Financial disclosure are made to the president of chamber. Regional committees certify the reporting The chamber as a whole decides whether members have violated conflict of interest procedures.	Unknown.
South Africa	Gifts valued more than R350 (US\$58 in 1999) from a single source in one year must be publicly disclosed.	Foreign travel must be publicly disclosed, unless self-financed personal or unrelated business trips.	The Registrar is appointed by the Joint Committee on Member's Interests, whose membership is based on proportional party composition of the Assembly. Committee members enjoy unlimited access to register materials, including that which members are permitted to keep confidential from the public.	Any person may bring a complaint to the Joint Committee, which holds closed hearings at which both the complainant and member are afforded the opportunity to argue. The Committee must then file a public report. Members found in violation of the Code are subject to a range of disciplinary actions at the Committee's discretion. These generally involve fines, with additional penalties as severe as a two-week suspension from service and a one-month pay suspension.
South Korea	Ethics Rule 58 states that members must declare any gift or benefit in excess of 100,000 <i>won</i> (US\$83 in 1999) from a foreign government, foreign national, or a foreign organization by filing a report with the secretariat of the Assembly. No member may receive any honoraria in an amount exceeding the usual and customary standards.	No member may accept travel expenses in an amount exceeding the usual and customary standards.	Public Official Ethics Committee of the Assembly reviews financial disclosure statements and has authority over ethics rules. Financial disclosure reports are filed with the secretariat of the Assembly.	The Korean constitution states that the "National Assembly may review the qualifications of its members and may take disciplinary actions against its members. The concurrent vote of two-thirds or more of the total members of the National Assembly are required for the expulsion of any member." (Art. 64)
Sweden	Unknown.	Unknown.	Election Review Committee has power to determine competency of, and expel, a	Unknown.

Country	Ethics Rules and Financial Disclosure Requirements			Complaint and Sanction Mechanisms
	Gifts	Travel	Entity with Jurisdiction	
			member or his substitute. (Under Swedish election guidelines, substitutes are determined by proportion of party representation. Substitute assume a member's post if the member becomes speaker or member of the government.)	
Taiwan	All gifts must be disclosed.	Unknown.	Financial Reports are submitted to the Control Yuan, a quasi-judicial government branch whose members are appointed by the president with the consent of the upper house. The Control Yuan decides if members have violated any disclosure provisions.	The Control Yuan may fine members for disclosure violations. If fines are not paid, Control Yuan refers case to courts.
UK	Any tangible gifts exceeding £125 or benefit exceeding 0.5% of salary (US\$278 in 1998) of member or spouse must be disclosed. Gifts and other benefits are exempt from disclosure if they do not relate in any way to membership in the House (§ 26).	Expenses of members or their spouses for overseas visits not wholly borne by members or public funds must be disclosed. (§'s 27-28) Hospitality or travel expenses within the UK must be disclosed. (§ 24) Conferences whereby organizer meets reasonable travel costs are exempted. (§ 25)	The Guide to the Rules Relating to the Conduct of Members designates a Parliamentary Commissioner for Standards and the Select Committee on Standards and Privileges. The Commissioner is not a career employee of the House. Committee composition is based upon proportional representation of parties.	Members or public citizens must address their complaints in writing to the Commissioner. If sufficient evidence is present, Commissioner conducts a preliminary investigation and reports conclusions to Committee. Committee conducts formal inquiry and decides whether this process will be open to public. Committee recommends further action to House. House can punish members through loss of salary or temporary suspension of office.
USA	The constitution prohibits federal officials from receiving gifts from foreign governments (or representatives of foreign governments). (Art. I, sec. 9, cl. 8) The Foreign Gifts and Decorations	House Rule XXVI (1998) allows members and staff to travel at the expense of private sources on fact-finding trips and to meetings, speaking engagements and similar events in connection with their	Ethics matters are handled internally within the House of Representatives by the House Committee on Standards of Official Conduct. Committee membership is divided evenly between the two parties, and comprises 10	Members can file a complaint with the Committee in writing, under oath, and dated. (A non-member may also submit a complaint to the Committee, but only if a member certifies that the complaint warrants

Country	Ethics Rules and Financial Disclosure Requirements			
	Gifts	Travel	Entity with Jurisdiction	Complaint and Sanction Mechanisms
	<p>Act exempts those gifts given as a “courtesy” gifts (valued at less than \$245 in 1998). House Rule XXVI (amended 1999) bars members and staff from receiving all gifts that may construe a conflict of interest. Other gifts (including meals) may be accepted as long as they do not exceed \$50. However, gifts from one source (either an individual or institution) may not exceed an annual cumulative value of \$100. Gifts given by a relative or personal friend may be accepted. All gifts must be disclosed.</p>	<p>official duties, and may also accept payment of expenses for an accompanying spouse or child. Travel is limited to four days; seven days for foreign travel. Transportation and hospitality expenses wholly unrelated to official duties such as campaign, religious or outside business activities, may be accepted. All travel expenses must be disclosed. Registered lobbyists are barred from providing transportation and related expenses to members and staff. (Federal Regulation of Lobbying Act). Travel expenses paid for by foreign principals are restricted to mutual cultural exchanges.</p>	<p>members. (Rule X, 1999) (Committee established in 1967; H. Res. 418, 90th Cong., 1st Sess.)</p>	<p>consideration.) If, by majority vote the full Committee determines that a complaint “merits further inquiry,” a four to six member subcommittee is appointed to decide if a violation has occurred. If so, a separate subcommittee is appointed to determine if charges have been proved. If so, the full Committee reconvenes to issue a report and determine the punishment to recommend to the House. The range of punishments includes censure, reprimand, fine, denial or limitation of privileges, or in extreme cases expulsion. The constitution states that a 2/3 majority of the whole House is required for expulsion. Current mechanism for complaints and sanctions adopted by 105th Congress in 1997.</p>