

## Appendix A

# TERMS OF REFERENCE OF THE CENTRAL BANK OF SWAZILAND MONETARY POLICY CONSULTATIVE COMMITTEE

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### 1. Background Information

The Monetary Policy Consultative Committee (MPCC) was established under the Central Bank of Swaziland (CBS) Order of 1974 (as amended on the 31<sup>st</sup> October 2004), Section 43. It was operationalised through a Memorandum prepared by CBS in an attempt to interpret the applicable provisions of the CBS Order and National Constitution.

The MPCC considers matters relating to monetary policy pursued by the Central Bank of Swaziland and facilitates an exchange of views among its members. It acts as an advisory body to the Governor on the appropriate monetary policy stance. The Governor of the Central Bank of Swaziland is expressly declared the sole legal determiner and public announcer of the rates for discounts, rediscounts and advances (interest rates as a monetary policy instrument).

### 2. Composition of the MPCC

The MPCC shall consist of:

- a) the Governor, who shall be the Chairman or the Deputy Governor or the Assistant Governor;
- b) no more than five additional members appointed by the Minister of Finance with recognized experience in monetary and financial matters.

### 3. Secretariat

The General Manager, Economic Policy Research & Statistics, will lead the Secretariat of the MPCC.

#### **4. Duties of the MPCC**

The purpose of the MPCC is to consider and advise on matters relating to the monetary policy pursued by the Central Bank of Swaziland. This includes other matters included within the responsibilities of the Central Bank of Swaziland, which may have an impact on future monetary policy path. It acts as a platform for the exchange of views among the members on monetary policy issues.

#### **5. Manner of decision-making**

Decisions of the Committee shall be taken by consensus. Where such consensus does not exist, the final decision shall be taken by simple majority.

#### **6. Decision on Monetary Policy**

The final monetary policy decision [on the appropriate discount rate] shall be taken by the Governor.

#### **7. Terms of office**

The MPCC members, with the exception of the Governors, shall hold office for a period not exceeding three years, but are eligible for re-appointment.

Members shall at all times adhere to the MPCC Code of Good Conduct attached to these terms of reference. Members shall demonstrate their commitment to the Code by signing it upon appointment and at the first meeting of any calendar year.

#### **8. Frequency of meetings**

The MPCC shall meet at least six times a year to deliberate on monetary policy matters and propose, to the Governor and the Board of Directors, the appropriate stance of monetary policy for the subsequent two months.

The dates of the MPCC meetings shall be communicated to all members within the first two months of each calendar year.

The Chairman may call for extraordinary meetings of the MPCC as and when required.

## **9. Meeting quorum**

Three members, including the Governor or the DG or the AG (as duly authorised), shall constitute a quorum. In case MPCC members are not forming a quorum, the Chairman reserves the right to take a decision whether to continue with the meeting.

## **10. Public Announcement of the Decision on the Discount Rate.**

After each MPCC meeting, CBS shall publish, through a Press Statement, its discount rate decision within reasonable time.

## Appendix B

### MONETARY POLICY CONSULTATIVE COMMITTEE CODE OF GOOD CONDUCT

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#### 1. Fundamental principles and core values

Monetary Policy Consultative Committee (MPCC) members shall act with loyalty to the CBS; be honest, objective and impartial as well as subscribe to the highest standards of professional ethics, diligence, good faith and integrity. These include avoiding any action or inaction, which could in any way impair the CBS's capacity to carry out its duties or compromise its standing in the community and its reputation for integrity, fairness, honesty and independence.

#### 2. Declaration of interests

- (a) To assist in the fulfilment of obligations in relation to conflicts of interests, MPCC members shall, upon appointment, make a full written disclosure of the nature of their direct or indirect interests which may give rise to conflict of interest.
- (b) The matters to be covered by the member's statement shall include, but not be limited to, the disclosure of:
  - i. any financial or business interest of the member and that of his or her immediate family members; and/or
  - ii. investments in companies, partnerships or joint ventures.
- (c) The disclosure intended in (a) and (b) above is to be made through the completion of the attached declaration form.
- (d) An update of such a statement on an annual basis shall be provided to the Chairman of the MPCC.

#### 3. Conflict of interest

- (a) In the performance of their duties, MPCC members shall avoid any situation that may give rise to a conflict of interest. No discrepancies may exist between a member's official responsibilities and any kind of personal or external interests which could jeopardise his or her impartiality and integrity in performing his or her

responsibilities. Acceptance of gifts and favours that have the appearance of influencing their performance should be avoided.

- (b) If a member is conflicted on any matter at any meeting, a verbal declaration must be made before the discussion of the matter in question. The Chairman will make a ruling on how the declared conflict of interest is to be handled.

#### **4. Confidentiality**

Members are required to maintain strict confidentiality of the information discussed at MPCC meetings and not to divulge any confidential information obtained in the performance of their duties; provided that such confidentiality shall be lifted one year after they have ceased to be members of the MPCC. Members shall also avoid any situation where they might be perceived as having acted with the benefit of knowledge not available to the general market, for their own interests.

#### **5. Compliance**

- a) Deviation from the standards of this Code shall be dealt with as misconduct on the part of the member concerned and such a member will be disciplined in accordance with the rules and procedures of the CBS.
- b) Compliance with this Code will be monitored by the Chairman of the MPCC. If MPCC members (or members of the public) become aware or suspect that a member of the MPCC has, or may have, contravened this Code, this information should be reported immediately to the Chairman, preferably in writing and in a confidential manner. The Chairman shall initiate a mechanism to investigate the alleged breach at his own volition or upon request.
- c) For the duration of any investigation into any allegation of a contravention of this Code, the Chairman reserves the right to suspend the member concerned from carrying out duties for the MPCC and CBS.
- d) Any investigation into a suspected or possible contravention of this Code shall be kept confidential.

## **6. Immunity from personal liability**

The MPCC members shall not be personally liable for any civil or criminal proceedings, arrest, imprisonment or damages for anything done in the discharge of their duties unless it is established that it was done in bad faith.

## **7. Independence**

- a) MPCC members shall be independent from any political influence in the performance of their duties.
- b) The MPCC members shall not act as delegates or representatives of any interest groups or industry in the discharge of their duties.