

Tool: Template for registration of private interests

Purpose

- To increase transparency and trust in the procurement process and avoid legal and negative public perception consequences.
- To ensure the ethical and objective behaviour of procurement practitioners by establishing and enforcing appropriate standards to foster integrity.
- To support policy makers in preparing effective procedures to identify risks and manage conflicts of interest in daily operations.

Public Procurement
Principle: **Integrity, Risk
Management**

Procurement Stage:
All phases

Audience: **Procuring Entity**

Description

Registration of private interests for procurement practitioners and immediate family is an example of concrete tool to support a conflict-of-interest policy. Registration must be signed by procurement practitioner and be filed in the contract file for future reference.

A conflict of interest involves a conflict between the public duty and the private interest of a public official, in which the official's private-capacity interest could improperly influence the performance of his/her official duties and responsibilities. This basic definition conveys three elements of conflict of interest: an unacceptable possibility of conflict between a public official's interest as a private citizen and their duty as a public official.

It is crucial to differentiate between potential, apparent and an actual conflict of interest. A potential conflict is where a public official might have a private interest. An apparent conflict is where people may assume that a public official has a private interest. An actual conflict is where a public official does have a private interest.

A conflict of interest is not the same as corruption or a violation of integrity. A conflict of interest becomes corruption when a public official misuses their official power/resources for improper personal gain. Having an apparent conflict of interest can be as serious as having an actual conflict of interest because of the potential for doubt to arise about a public official's integrity and the integrity of the public sector organisation where the public official is employed.

Preventing conflict of interest is necessary throughout the entire procurement cycle, including in the design of contract requirements or terms of reference, the selection of tender methods, evaluation and award of contract, contract monitoring and payment. Thus, conflict-of-interest controls must be established at key points during the procurement cycle and take steps to strengthen training and record-keeping techniques.

The public availability of the registration of private interests by procurement practitioners can vary. It may be submitted to an independent public authority that will use the information should a situation arise that requires it to be used. It may be disclosed only to members of the different commissions (possible conflicts are judged by peers). It may be made publicly available, emphasising transparency but raising questions of how to balance an individual privacy.

The generic registration of private interest template is intended to be used to identify the relevant personal assets and beneficial interests which are most likely to cause a conflict-of-interest situation. The administrative procedure surrounding the completion, submission and processing of the registration needs to be supported by an enforceable law or government policy. Failure to provide a complete return when required could be made the subject of sanctions (*e.g.* disciplinary action or disqualification from participation on tender committees), or criminal sanctions as appropriate.

The process does not require procurement practitioners to identify assets disposed of during the reporting period. Optionally, a stronger form of this declaration process would do so, by means of a question (which could be inserted as a new item after Question 11) to identify any assets which were identified as owned on the previous declaration form, and which have since then been disposed.

Box: Generic template for the registration of private interests

To: [Head of public organisation or relevant public authority]

Particulars of my private interests and those of my immediate family of which I am aware are set out in the attached form.

I hereby undertake to advise you should a situation arise when an interest of mine, or an interest of a member of my immediate family of which I am aware, conflict, or may reasonably be thought to conflict with my public duty, whether that interest is pecuniary or otherwise.

Signature:

Date:

1. Real estate/immovable property

Owner

Location

Nature of interest held

Purpose (*e.g.* investment, domicile, etc.)

2. Shareholdings

Indicate all holdings of shares and like instruments, including holding companies and subsidiary companies if applicable. Exclude nominal shareholdings by way of qualification for membership of a credit union, building society or other co-operative society:

Name of company
Owner of shares

3. Trusts/nominee companies

a. Identify any beneficial interest held in a family or business trust or a nominee company:

Trust or nominee company
Nature of interest
Nature of operations of trust or company
Name of person holding interest
Date commenced

b. Identify any interest held as a trustee of a family or business trust established under a law:

Trust or nominee company
Nature of interest
Nature of operations of trust or company
Name of person holding interest
Date commenced

4. Directorship, appointments and ancillary employment in other enterprises

Indicate all directorships currently held, whether a director's fee is paid or not:

Name(s) of directors
Name of company [whether public or private]
Activities of company
Date commenced

5. Partnerships, etc.

Identify all current business and professional partnerships and similar arrangements:

Person holding interest
Type of activities
Date commenced

6. Investments

Identify all investments in bonds, debentures, savings or investment accounts with banks or other financial institutions. Where the cumulative value of such investments is less than the threshold [€x,000] no registration is required:

Person holding investment
Type of asset
Source
Date obtained

7. Other assets

Identify each asset valued at over [€x,000]: principal family home, household contents, personal effects and motor vehicles for person use could be excluded:

Owner of asset
 Type of asset
 Source
 Date obtained

8. Other significant sources of income

Identify current salary and income from all appointments/employment including those identified in Item 4: salary from primary public service/official position is to be excluded:

Person receiving income
 Source/nature of income

9. Reportable gifts (including substantial travel, hospitality or other forms of valuable benefit)

Identify all "reportable gifts" of current market value exceeding [€x00], received in the past financial year:

Person receiving gift
 Nature of gift
 Market value of gift
 Donor
 Date received

10. Liabilities

Identify current financial liabilities, loans, mortgages, etc. Minor debts such as ordinary short term credit arrangements, charge cards, etc. are to be excluded:

Person liable
 Nature of liability
 Creditor

11. Other personal interest which could constitute a potential conflict-of-interest situation

Include for example, previous relevant employment or positions held (e.g. in business ventures, professional bodies/unions, non-governmental organisations or community organisations), continuing rights of return to previous employment or position, and standing offers or agreements about future employment, etc. Note: political and religious affiliations, etc. are not required to be notified unless they could reasonably constitute a specific conflict-of-interest situation to the position held by the person making this declaration.

Further Resources

OECD (2004), [*Managing Conflict of Interest in the Public Service: OECD Guidelines and Country Experiences*](#), OECD Publishing, Paris

OECD (2005), [*Managing Conflict of Interest in the Public Sector: A Toolkit*](#), OECD Publishing, Paris.

OECD (2005), "[*Conflict of Interest Policies and Practices in Nine EU Member States: A Comparative Review*](#)", SIGMA Paper, No. 36, GOV/SIGMA(2006)1/REV1, OECD, Paris.