

ETHICS--Voluntary Guide to Conduct for Senior Officials

1. Members of the Board of Governors of the Federal Reserve System and presidents and first vice presidents of the Federal Reserve Banks have a special responsibility for maintaining the integrity, dignity, and reputation of the System. Accordingly, they should scrupulously avoid conduct that might in any way tend to embarrass the System or impair the effectiveness of its operations.
2. They should carefully adhere to the spirit, as well as the letter, of the rules of ethical conduct prescribed for employees of the Board of Governors or the Federal Reserve Banks and should exemplify in their own conduct the high standards set forth in those rules.
3. Their personal financial dealings should be above reproach, and information obtained by them as officials of the System should never be used for personal gain. In order to avoid even the appearance of acting on confidential information, they should not knowingly purchase or sell any security (including any interest in the Thrift Plan for Employees of the Federal Reserve System, but not including shares of a money market mutual fund) during the seven-calendar-day period prior to and the day(s) of a meeting of the Federal Open Market Committee. This restriction does not apply if the investment decision is made before the seven-day period (in the case of a rollover, for example). They also should not knowingly hold any security for less than 30 days, other than shares of a money market mutual fund. They should make every effort to ensure that their spouses' and dependent children's financial transactions comply with these guidelines. In unusual circumstances, after consultation with the ethics officer, these restrictions may be waived. Beyond these guidelines, they should carefully avoid engaging in any financial transaction the timing of which could create the appearance of acting on inside information concerning Federal Reserve deliberations and actions.
4. They should be careful to avoid any dealings or other conduct that might convey even an appearance of conflict between their personal interests, the interests of the System, and the public interest. They may invest in United States government securities only under the following circumstances: they may purchase (in a noncompetitive tender) or hold United States Treasury bills with maturities of one year or less, but must hold them to maturity, except in unusual circumstances after consultation with their respective ethics officer. They may purchase or hold United States Treasury bonds or notes (including shares of mutual funds whose investments are concentrated in such bonds or notes) having a total market value of no more than \$50,000. These longer-term government securities or mutual fund shares should be bought only with the intent to hold them as long-term investments and should not be sold while the individual is employed by the Federal Reserve System, except in unusual circumstances and after consultation with the ethics officer. They may own, without limitations, United States savings bonds. They may

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own, without limitation, shares of a money market mutual fund concentrating in United States government securities if the net asset value of the fund remains constant.

5. They should strictly preserve the confidentiality of System information that, if revealed, could benefit any person or impair the effectiveness of System operations and policies.
6. In considering invitations to speak at meetings sponsored by profit-making organizations, such officials should carefully weigh the public benefits likely to be derived from addressing such meetings against the possibility that their participation might afford such organizations a prestige advantage over competitors.
7. In public speeches and relations with news media, senior officials should be particularly mindful of the consideration stated in paragraph 4 and, in addition, should avoid statements that might suggest the nature of any monetary policy action that has not yet been officially disclosed or that might confuse or mislead the public with respect to the monetary or other policies of the System.
8. They should feel free to express their personal views concerning questions of System or public interest, but they should carefully consider whether their remarks might create public misunderstanding of the System's actions, or impair the effective formulation and implementation of System policies or lessen the prestige of the System.
9. When speeches or other statements have been prepared for public release, they should consider whether it is feasible and useful to distribute copies to other senior officials for their information in advance of public release.

This statement was adopted November 18, 1970, and amended April 1979, May 1997, and July 1998.