



# Regulation on Business Gifts and Invitations

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# 1 INTRODUCTION

## 1.1 General

The giving and receiving of business gifts and invitations has an influence, whether conscious or unconscious, on the relationship between giver and recipient, usually in a positive sense. However, it can also involve risks, for instance, if it gives the appearance or the expectation that the recipient will want something in return or even bribery.

If business gifts and invitations are not dealt with correctly, there could be an adverse impact on the integrity of BNG Bank and its staff, and thus on the trustworthiness of the bank. That is why this Regulation was created. In this Regulation, we set out the rules and procedures for accepting and granting business gifts and invitations. 'Business gifts' includes donations and private transactions with suppliers.

## 1.2 Purpose of the regulation

The purpose of this Regulation is to manage the risks relating to business gifts and invitations that could lead to harmful conflicts of interest

## 1.3 Scope of the regulation

This policy applies to all employees of BNG Bank and its subsidiary BNG Gebiedsontwikkeling (hereinafter referred to as 'the Bank'). 'Employees' means anyone who works for the Bank, whether on a temporary or permanent contract, including external contractors, temp workers and interns.

# 2 POLICY RULES

Has someone offered you a present, gift card, lunch, dinner, outing or trip or something else with a monetary value? Or do you want to offer something along these lines to a business contact of the Bank? Always work out why you are receiving something, or why you want to give something. If it is of a nature to influence independence (whether consciously or unconsciously), you may not accept or give it. You should also observe the following rules.

## 2.1 Definitions

1. **Business gifts and invitations:** gifts and invitations that an employee receives or grants by virtue of their position with the Bank. Business gifts/invitations include:
  - a. Business gifts such as books, Christmas gifts, liquor, artworks, gift cards (including restaurant or cinema vouchers, etc.), tablets, etc.
  - b. Invitations for dinners, sporting and other events, seminars, presentations, networking drinks, business lunches, etc.
  - c. Not market conform private transactions with the Bank's suppliers, such as having solar panels installed or renovations carried out by a supplier on different terms or at a discount.
2. **Manager:** the head of department at the ExCo-1 level (also referred to as N-1). If you yourself are a head of department (N-1), your manager is the member of the ExCo to whom you report. Members of the ExCo should report gifts and invitations to the CEO of the Bank.

## 2.2 Rules for receiving business gifts/ invitations

1. You may accept business gifts/invitations with a value up to and including €50, unless this gives rise to the appearance of being required to do something in return. If that is the case, you must refuse the gift or invitation.

Always work out why you are being given something. If it is of a nature to influence your independence, then you cannot accept it, even if it is worth less than €50.

If you receive multiple business gifts or invitations below the €50 limit from the same business contact within a 12-month period, you must add them together to determine the total value and the rules that apply.

2. You must refuse or return business gifts/invitations worth more than €50, citing the Bank's policy where relevant. This rule may be departed from in exceptional situations. The manager will make a decision on each case (see also Clause 2.4).

Accepting gifts, especially expensive gifts, can lead to a conflict of interest and ultimately create a negative image of the Bank. An expensive gift can also cause someone embarrassment or harm their integrity. To prevent such a situation, the Bank has set a clear limit of a value of €50.

By informing the giver of the reason why you cannot accept the business gift or invitation, you avoid being put in the same situation next time.

You are also not permitted to enter into private agreements with the Bank's suppliers on terms that are not in line with the market.

3. You must always refuse business gifts in the form of cash.

Such gifts can easily create an impression that the giver wishes to buy a certain favour. A gift card as a thank-you for speaking at a conference or convention (instead of flowers or a bottle of wine) is allowed, provided it is appropriate and complies with the other rules.

4. You may not allow business gifts/invitations to be sent directly to your home address.

Receiving of gifts at a home address more easily creates the appearance of influence than if they were sent to the office. Moreover, giving out your home address can lead to risks if the business contact is less well-intentioned.

5. Accepted business gifts/invitations worth more than €50 must be recorded in the business gift register, along with a statement of approval from the manager (see also Clause 2.5).

## 2.3 Rules for giving business gifts/invitations

1. Given the nature of the Bank and its clients, the Bank applies a conservative policy in relation to the giving of business gifts/invitations.
2. The same upper limit of €50 as specified in Clause 2.2 applies to the giving of business gifts/invitations. This rule may be departed from in exceptional situations. The manager will make a decision on each case (see Clause 2.4).

You may offer a gift to a business contact if you think it is appropriate given the importance of the relationship. Select a suitable gift from the Bank's collection of business gifts.

3. Business gifts/invitations that are granted and that are worth more than €50 must be recorded in the business gift register, along with a statement of approval from the manager (see also Clause 2.5).

## 2.4 Manager's role in the event of doubt and deviation from the rules

1. If you have any doubts about whether a business gift/invitation is acceptable, you should report it to your manager. The manager will decide whether it can be accepted. In doing so, the manager may seek advice from Compliance.

Members of the ExCo should report to the CEO, who will make a decision. In doing so, the CEO may seek advice from Compliance. Reports from the CEO are sent to the CRO to make a decision. Again, Compliance may be asked for advice.

2. You must ask your manager for permission before giving or accepting business gifts/invitations worth more than €50. Your manager may give permission in exceptional circumstances.

There must always be a careful consideration before business gifts/invitations are accepted. What is and is not acceptable is not always black and white. Below are a number of guidelines for making decisions in the event of doubt and in exceptional circumstances.

- Consider what the underlying intention of the giver might be. This may be apparent from the nature of the gift/invitation. There is a difference between a diary with a company logo and a personal gift such as a dinner.
- The timing and context of a gift/invitation being offered can also be important. There is a difference between an annual present at Christmas time and a gift/invitation in a negotiation phase or during a project. In the latter case, the gift could be intended to 'influence' you, or at least it could give that impression. That is why no gifts/invitations may be accepted in a negotiation phase or during a project. A dinner to celebrate the end of a project or negotiation is common, but elaborate and/or exclusive dinners are not appropriate.

There are a number of guidelines that apply specifically to invitations:

- The business-related nature of a meeting or event must be paramount. Accordingly, the emphasis must not be on 'having fun', either in the eyes of the employee or in the eyes of the outside world. This means, for example, that we cannot accept tickets for football matches, tennis tournaments, other sporting events, major concerts, etc. (e.g. UEFA European Championship, Tour de France, AA World Tennis, North Sea Jazz, pop concerts). We are also cautious about participating in sporting events run by our contacts/counterparties (such as golf tournaments and cycling events): the rule here is 'no, unless'.

- To preserve the business-related nature of an event, travel and accommodation expenses should be separated from the invitation as much as possible. Travel and accommodation expenses should be paid by the Bank or claimed after the event, in accordance with the Bank's expense claims policy.
- Activities of major financial value are excluded.
- One-on-one activities with a business contact are examined more critically than the same activities in which multiple people from both parties are present.
- Invitations to activities involving partners and children are excluded. This includes partner-and-child golf tournaments, the Sinterklaas boat, a boat cruise with your partner during Sail Amsterdam, etc.).
- Invitations to (charge-free) seminars, webinars, etc. may be accepted if they are work-related and the giver does not expect anything from us in return. Examples of acceptable invitations include seminars or webinars from law firms, run by their own staff to showcase their knowledge. You do not have to record such invitations in the register. The situation is very different if it involves a series of webinars or if experts are brought in to deliver seminars or webinars.
- If a photo of the activity appears in the press, the employee should be able to provide a valid explanation to the ExCo or their colleagues of why they were present at this activity.

When applying these guidelines, you will regularly encounter grey areas. Weighing up the business purpose and the nature/appearance of a gift/invitation can give rise to dilemmas. Regular discussion of the dilemmas and talking over specific situations with colleagues is important to ensure consistent decisions are made.

## 2.5 Register

1. All approved (accepted and granted) business gifts/invitations with an estimated value of more than €50 must be recorded in the Bank's business gift register.

Through the recording of relevant business gifts/invitations, the Bank will gain insights into the nature of relationships with third parties and the actions of its employees. Is this a one-off gift, or does employee frequently receive gifts/invitations from the same contact? Is the timing of the gifts/invitations right before negotiations begin? Such insights enable managers to make adjustments where necessary.

For all other business gifts/invitations (both those with an estimated value of €50 or less and those that are refused), inclusion in the register is voluntary. Accordingly, there is no need to record a decision and explanation from a manager. Managers may make the recording of other business gifts/invitations mandatory in their departments. For example, they may wish to get a more complete picture of all business gifts/invitations received and refused and of the reason why it is decided to accept or refuse a gift/invitation.

2. Managers are responsible for ensuring the register is kept up to date. Managers' own reports are also recorded in the register.

If a manager (N-1) receives a business gift/invitation, they must request permission from their own manager (ExCo member) and record the corresponding approval and the explanation for the decision in the register.

If an ExCo member receives a business gift/invitation, the SEO Department is responsible for recording business gifts/invitations for which a report is required. SEO will record the gift/invitation in the register for ExCo members.

3. At a minimum, the following information must be recorded in the register: a brief description of the business gift/invitation, its estimated value, the date of receipt/granting the gift/invitation, the recipient's name, the manager's name and an explanation for the manager's approval decision. See the register format in Annex 2.

Include in the register a clear explanation of why the business gift/invitation can be approved in this specific situation, even though it does not meet the guidelines (comply-or-explain principle). If advice is requested from Compliance, this advice must also be recorded in the register entry.

4. For the purpose of checking compliance with this Regulation, the business gift register may be accessed by the relevant staff members in the Compliance Department.

In connection with the General Data Protection Regulation (GDPR), public publishing of the business gift register on the Intranet is neither required nor allowed. So, it is important to note that the register may not be accessible to all staff.

## 3 EMBEDDING INTO OPERATIONAL MANAGEMENT

### 3.1 Creation and maintenance of the regulation

This Regulation is linked to the Anti-corruption and conflicts of interest policy (see the policy in Collibra). The head of the Compliance Department is the owner of the Regulation on Business Gifts and Invitations. The Regulation was approved by the Non-Financial Risk Committee (NFRC) and will be updated regularly, or whenever there is reason to do so. See also the RACI table below:

Role	Who
Responsible	Head of Compliance
Accountable	Head of Compliance
Consulted	NFRC members, with regard to material changes
Informed	Not prescribed; communication to management and staff via the Intranet, other messaging and/or training by Compliance

### 3.2 Monitoring and reporting

Compliance regularly monitors compliance with this Regulation. The purpose of this monitoring is to check, as a second line of defence, the extent to which the reporting, acceptance and recording of business gifts/invitations (both offered and received) are in line with the Regulation. This provides an insight into the effectiveness of the policy and management measures relating to business gifts/invitations. The results of the monitoring will be included in the regular compliance reports if there is reason to do so.

### 3.3 Breach of the Regulation

The Bank assumes that you will comply with this Regulation. If you accept a business gift/invitation worth €50 or more without permission from your manager, the Bank may take appropriate measures, including sanctions. These may include a serious conversation with your manager, an official warning, a reprimand or even far-reaching employment law measures.

## ANNEX 1: LAWS AND REGULATIONS

This Regulation was drafted in accordance with relevant laws and regulations. The key regulations relating to conflicts of interest are:

1. Ethical execution of business activities (Sections 3.10 and 3.17 of the Financial Supervision Act (Wft) and Article 11 of the Prudential Rules (Financial Supervision Act) Decree (Bpr Wft));
2. Dutch Banking Code (including the Code of Conduct);
3. EBA Guidelines on Internal Governance (EBA/GL/2021/05 – Chapters 11 and 12);
4. Dutch Corporate Governance Code (Article 2.7) .

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<sup>1</sup>BNG Bank has declared the Corporate Governance Code applicable (although BNG Bank is not a listed company).







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