

CONFLICT OF INTEREST DIRECTIVES

FIFA®





Key message



Definition/example



Red flag

Fédération Internationale de Football Association

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WHY WE NEED THESE DIRECTIVES

In order to protect FIFA and FIFA team members' reputation and integrity, handling conflicts of interest is taken seriously by FIFA. Often, a conflict of interest sets the stage for more serious events, including fraud and bribes.

With these directives, FIFA aims to:

- ✓ prevent ethical misconduct and possible criminal activity that can start with a conflict of interest;
- ✓ safeguard FIFA team members by building a solid disclosure process;
- ✓ eliminate favouritism or unfair advantages;
- ✓ dismiss any preferential treatment and unfair advantages;
- ✓ minimise risks of cronyism and patronage.

HOW WE ADDRESS CONFLICTS OF INTEREST

GENERAL PRINCIPLES

In order to make sound decisions when faced with a conflict of interest, all FIFA team members need to understand the risks of organisational and personal conflicts of interest, **what** situations to avoid, **why** they should be avoided and **how** to report conflicts. Knowing the "what", "why" and "how" enables us to make sound decisions when faced with a conflict of interest by **identifying, disclosing** and **mitigating** the conduct appropriately.



CONFLICT OF INTEREST

A conflict of interest may arise when personal interests, activities or relationships affect an individual's ability to be impartial and do what is in the best interest of FIFA.



When you **identify** a conflict of interest situation, whether real, potential or perceived, immediately inform your **line manager** and the **FIFA Compliance Division**.

A conflict of interest can be real, potential or perceived. When it comes to conflicts of interest, facts, appearances and perceptions matter. A perception of a conflict of interest can be just as harmful as an actual conflict. When a perception of a conflict exists, it can harm your personal reputation and the reputation of FIFA.

FIFA team members should strive to avoid situations where it would be perceived that they benefit, directly or indirectly, or allow a third party to benefit, from the decision they make.

Not all conflict of interest situations imply wrongdoings.

However, when identified and well-managed, the risks of compromising our work or the organisation's integrity can be minimised.

The best way to avoid reputational issues is to know how to identify and disclose a conflict of interest when it occurs. Each FIFA team member must – where possible – avoid situations that conflict with the interests of FIFA.



Before making a business decision, ask yourself:

- “Could my personal interests interfere with the interests of FIFA and my impartiality?”
- “Could it appear to be a conflict to others, inside or outside of FIFA?”

CONFLICTS OF INTEREST: EVERYONE’S RESPONSIBILITY

Each FIFA team member is responsible for compliance with these directives. Breaches of these directives can lead to disciplinary and other actions, up to and including termination of employment.

All FIFA line managers must lead by example and provide guidance to their team members.

Training on how to deal with conflicts of interest is available and FIFA’s Compliance Division is here to answer questions that may arise at any time.



All FIFA team members must **identify** and **disclose** any potential conflict of interest to their line manager and to FIFA’s Compliance Division.

FOCUS AREAS

IDENTIFYING CONFLICT OF INTEREST SITUATIONS

Ending up in a conflict of interest situation can happen to any FIFA team member and is not necessarily wrong. A conflict that is not disclosed in a timely manner to the appropriate levels within FIFA can become an issue. Transparency through disclosure is critical and helps to protect you and FIFA’s integrity and reputation. The most common examples of conflicting situations are:

- **Outside employment:** you or a relative are employed by, provide services for, or receive payments/other benefits from a supplier or partner with whom you are actively working.
- **Financial interests:** you or a relative have a substantial investment or other major financial interest in a FIFA business partner, and, in your role within FIFA, you have an active working relationship with or responsibility towards this FIFA business partner.
- **Personal relationships at work:** 1) you supervise or are supervised by a relative; 2) in your position as Line Manager, you hire a relative; or 3) you hire, directly or indirectly, a relative as a supplier.
- **Corporate opportunities:** you take personal advantage of a business opportunity that FIFA may also have an interest in (unless FIFA has already been made aware of and declined the opportunity).

Note: the list above provides examples of the most common conflict of interest situations, but is not exclusive.

DISCLOSING CONFLICTS OF INTEREST

Avoiding conflict of interest situations is not always possible, but FIFA Team members are required to take the necessary steps to disclose any conflict that may occur. At FIFA, we have a straight-forward disclosure process:

- I. **Disclosure of conflicts, renewed annually:** each FIFA team member is required, during the hiring process, to disclose and submit any conflict of interest to FIFA's HR Department and to the Compliance Division, by completing FIFA's Related-Party Declaration form. This disclosure will be renewed annually.
- II. **Ad-hoc disclosure:** if the current annual disclosure is no longer up to date, FIFA team members are required to inform their line manager immediately and to submit the ad-hoc Related-Party Declaration form to FIFA's HR Department and to the Compliance Division.
- III. **Procurement process:** in addition to the above, each project lead must transparently declare any potential conflict of interest situation during the procurement process.

The above-mentioned conflict of interest disclosure forms can be found on FIFA's dedicated Code of Conduct homepage on the intranet.



FIFA's Compliance Division has established an annual, related party **disclosure** process. In addition, FIFA Team members are expected to disclose conflicts of interest on an ad-hoc basis as they arise.



Report also when in doubt

If you find yourself in a potential conflict of interest situation, disclose it to your line manager and to FIFA's Compliance Division.

If you are not sure whether an outside interest might be considered a conflict of interest, do not hesitate to evaluate the situation with your line manager and FIFA's Compliance Division.

MITIGATING EXISTING CONFLICTS OF INTEREST

Disclosure provides transparency of real, potential or perceived conflict of interest risks that FIFA team members and/or FIFA itself might be exposed to. Upon advice from the Compliance Division and together with the line manager, the appropriate mitigation steps can be agreed and taken. Mitigation of a conflict can go from awareness of the conflict to full avoidance of the conflicting situation.



Discuss the best **mitigating action** with your line manager and the Compliance Division.

FIFA COMPLIANCE THREE-STEP PROCESS OF DEALING WITH A CONFLICT OF INTEREST SITUATION

1. REPORT CONFLICT:

- notification by a team member of the existence of a conflict of interest situation.

2. ASSESS CONFLICT:

- consideration of risk exposure for FIFA team members and for FIFA as an organisation;
- consolidation and evaluation of facts;
- consultation with other departments, where required (e.g. Legal/HR) to conclude on actions;
- discussion on gathered facts and information relating to the conflict with the person concerned;
- final decision to be taken by the relevant line manager, Chief Officer and Chief Compliance Officer.

3. NOTIFY OF ACTIONS:

- bringing a decision addressing the conflict of interest risks in order to minimise risk exposure for FIFA and to protect the FIFA team member;
- communication of the decision, reasoning and potential actions to FIFA team member, which could be:



FIFA's Compliance Division seeks to find solutions that **mitigate** and reduce conflict of interest exposure for FIFA team members and FIFA itself.

- i. **Accepting conflict of interest:** responsible parties are fully aware of the conflict and the situation is deemed to have minor risk exposure for the FIFA team member and FIFA itself. Hence, the conflict is accepted and will be monitored going forward.
- ii. **Mitigating existing conflict of interest:** the conflict requires mitigation action, e.g. FIFA team member needs to withdraw himself from a supplier bidding procedure where one of the bidders is his brother-in-law.
- iii. **Rejecting situation including conflict of interest:** where a conflict cannot be mitigated, a potential situation may have to be rejected, e.g. having your spouse as your line manager.
- iv. **Not considered a conflict:** the assessment concludes that no conflict exists.

FINAL PROVISIONS

COMPLIANCE DIVISION'S RESPONSIBILITIES

The Compliance Division supports the implementation of these directives through education and training as well as by providing advice and guidance to FIFA team members. Compliance procedures and tools, including Related-Party Declaration forms (on an annual or ad-hoc basis) and training videos are available to facilitate compliance with these directives.

The Compliance Division will periodically monitor and test the execution of these directives.

OFFICIAL LANGUAGES

The present directives are issued in English and German. If there are any discrepancies in the interpretation of the different versions of these directives, the English text shall be authoritative.

ADOPTION AND ENFORCEMENT

These directives were approved by the FIFA Secretary General on 12 November 2018 and come into force with immediate effect.

Zurich, 12 November 2018

A handwritten signature in black ink, appearing to be 'FS', is written over a set of horizontal lines that serve as a signature line.

FIFA Secretary General
Fatma Samoura

ANNEXES



RESOURCES

- Code of Conduct
- Related-Party Declaration form (annual/ad-hoc)
- Gifts and Hospitality Directives
- Internal Organisation Directives



DEFINITIONS

FIFA team members

- The Secretary General
- The Deputy Secretaries General
- The Chief Officers
- All other employees of FIFA
- All freelancers and volunteers (to the extent permitted by law)
- All employees and members of executive bodies of FIFA's consolidated subsidiaries

FIFA Compliance Division

Your dedicated adviser or any member of the Compliance Division
Compliance Division email address: compliance@fifa.org

Relatives

For the understanding of these directives, "relative" refers to a spouse, child, sibling, parent, stepchild, stepparent, as well as mother-, father-, son-, daughter-, brother-, or sister-in-law, and close friends with whom a personal relationship exists that could influence the individual's ability to be impartial and do what is in the best interest of FIFA.

CONFLICTS OF INTEREST – TYPES AND EXAMPLES

Real conflict of interest	Potential conflict of interest	Perceived conflict of interest
<p>A situation where a person has an interest (not in line with FIFA's interests) that will influence his/her judgement and decision-making.</p>	<p>A situation where a conflict of interest is predictable but not yet real. It will depend on a future event that may occur.</p>	<p>A situation where a reasonable third person is concerned about the existence of a conflict of interest of another person.</p>
<p>Example: a line manager responsible for the evaluation of a team member is a relative of that team member.</p> <p>Solution: disclosure of the conflict to the manager of the line manager and to HR and the Compliance Division. HR will assess the situation and propose an acceptable solution (e.g. change of reporting lines, etc.).</p>	<p>Example: a FIFA team member would potentially be involved in the decision process for a job offering for which a relative or a close friend may be interested to apply.</p> <p>Solution: there is no actual conflict yet, but one will arise if the relative or close friend actually applies for the open position or asks for additional information. The FIFA team member is advised to disclose the potential conflict, when relevant, to be cautious about providing information in order not to disadvantage other candidates and to withdraw from the decision-making process in general.</p>	<p>Example: a significant supplier contract was awarded to a relative of a FIFA team member leading to the perception from the outside world that favouritism occurred.</p> <p>Solution: this perception can be mitigated by demonstrating that there was full disclosure from the FIFA team member and by evidencing that bids from several potential suppliers were considered and that the FIFA team member was not part of the decision-making process.</p>
<p>Example: a FIFA team member provides paid consulting services to a FIFA supplier during the weekend.</p> <p>Solution: disclosure of the conflict. Approval from HR and the Secretary General to be obtained. The FIFA administration might propose additional mitigation steps (e.g. no involvement in activities relating to the supplier).</p>	<p>Example: a FIFA team member works part-time in the evening for a company that works in the same area as FIFA but has no direct activity with it.</p> <p>Solution: disclosure and awareness of potential conflicting situation. Together with the line manager, it can be discussed which possible mitigation steps should be taken. The disclosure protects the FIFA team member in case some unexpected relations arise at a later stage, it being noted that in addition there could be HR-required directives to follow relating to outside activities.</p>	<p>Example: a person responsible for the procurement of a supplier uses personal capacity services of that supplier.</p> <p>Solution: disclosure and awareness of the potential conflicting situation can mitigate the situation, in addition to a tailor-made assessment of the situation, to see if additional steps need to be taken to mitigate reputational impact.</p>
		<p>Example: a previous FIFA employee offers freelancing services to FIFA.</p> <p>Solution: disclosure and awareness of the potential conflicting situation can mitigate the situation, in addition to a tailor-made assessment of the situation, to see if additional steps need to be taken to mitigate reputational impact (e.g. ensuring that other freelancers without such a link are not at a disadvantage).</p>

