

Pages Conflicts of interest CEI

What you need to know

- This Chief Executive Instruction (CEI) sets out your responsibilities to identify, report and manage conflicts of interest.
- This CEI is issued for the purpose of section 13(5) of the *Public Service Act 1999* (PS Act).
- Responsibilities detailed in this CEI are lawful directions that employees and contracted individuals in the Australian Taxation Office (ATO), Australian Charities and Not-for-profits Commission (ACNC) and Tax Practitioners Board (TPB) **must** comply with.
- Non-conformance with your responsibilities detailed in this CEI may constitute a breach of the APS Code of Conduct or contract terms, and sanctions may be applied.
- Refer to links on the supporting resources to assist with the application of the policy.

1. CEI overview

This CEI sets out your responsibilities to identify, report and manage conflicts of interest.

2. CEI applicability

This CEI applies to all [employees](#) and contracted individuals (subject to the terms of the individual's contract) in the ATO, ACNC and TPB, including Senior Executive Service (SES) employees. Contracted individuals are to declare any conflict of interest as outlined in their contract and in accordance with the principles set out in this CEI.

Further information specific to ACNC is available in the ATO [Conflicts of interest Guidelines](#).

3. Conflict of interest

A conflict of interest occurs when your own interests including your private interests (i.e. in your private life) clash with your responsibility to act in the best interests of the ATO or APS, and this can depend on your ATO duties and roles.

The three types of conflicts of interest that must be declared are:

Real - a current situation that exists that creates tension between your own interests and your duty to the ATO/APS.

Potential - a situation that could arise that creates tension between your own

interests and your duty to the ATO/APS.

Perceived - a situation that may or may not exist where it could be perceived that your own interests and duty to the ATO/APS conflict.

Conflicts may be ongoing or temporary and can change as you change roles or undertake particular tasks, such as procurement activities, recruitment, or as you develop relationships with employees, stakeholders or external suppliers.

Refer to the ATO [Conflicts of interest CEI Guidelines](#) for practical examples of real, potential and perceived situations that may give rise to a conflict of interest.

4. ATO principles for managing conflicts of interests

The ATO recognises that the existence of conflicts of interest is not uncommon, however, it is important to ensure these are managed properly. Declaring conflicts of interest allows the ATO to manage situations in a professional, transparent and ethical manner. It does not indicate wrongdoing, but helps to protect the ATO, the integrity of the ATO's processes and decision making, and the reputation of employees and contractors.

The ATO is committed to best practice in managing conflicts of interest by:

- setting clear expectations and communicating with staff regularly, including for reporting, mitigating, and managing conflicts of interest
- ensuring employees, managers and contractors are well educated on their obligations
- maintaining an integrity register of notified conflicts of interests
- conducting internal quality checks to ensure conflict management plans are being managed effectively, and as described
- internally monitoring conflict management plans for appropriateness and effectiveness.

5. Managing conflicts of interest

A conflict management plan forms the most important part of a conflict of interest declaration. It should be tailored to the conflict of interest, and must clearly define the actions being taken by the employee and manager to effectively manage the risks associated with the conflict.

A conflict of interest may be managed and resolved in a number of ways, including but not limited to one or more of the following strategies:

- removing the employee or contractor from participating in the matter
- restricting the employee or contractor's involvement in the matter
- recruiting a non-conflicted third party to advise on or participate in the matter
- relinquish the private interest
- transfer of employment
- resignation, in rare circumstances.

Refer to the ATO conflicts of interest for managers [guidance material](#) for details about how conflicts of interest should be managed and resolved.

6. Your responsibilities

All employees and contractors must:

- take reasonable steps to avoid conflicts of interest
- identify conflicts of interest at the earliest opportunity including in the following circumstances
 - where favouritism, prejudice or animosity could arise, or be *perceived* to arise, due to a past or present **close personal relationship** (this includes within reporting lines, recruitment, procurement, contract management or where any decision making authority exists)
 - where you have an association with former colleagues or members of the tax and superannuation industry to which your work relates
 - where you have an association with criminals, suspected criminals or persons of interest with law enforcement authorities
 - where there is actual or potential financial gain or loss where you own property, shares or options in a company or entity to which your work relates, or that may bid for ATO work
 - where you are a beneficiary of a trust to which your work relates
 - where your shareholding is more than 5% of a company's market capitalisation, or where your shareholding is more than 5% of your total assets
 - where you engage in any outside employment (regardless of industry) or perform any paid or unpaid external work that is in or supports the tax and/or superannuation industry
 - where you are leaving the ATO and taking a role in the private sector where a conflict of interest may arise
 - where you are not compliant with your obligations as outlined in the [Compliance with taxation, superannuation and registry obligations CEI](#).
 - for staff working at the ACNC
 - where you are a responsible person of a charity
 - where you volunteer in a legal, strategic or financial decision making capacity for a charity
 - where your personal interests in a charity presents a real, potential or perceived conflict with your work duties.
- notify all conflicts of interest by submitting a conflict of interest form as soon as possible, ensuring that details are complete, transparent and comprehensive
 - use the [ATO Integrity Register](#) form for procurement-related conflicts
 - use the [People Connect form](#) for all other conflict types
- assess and reassess your own interests (including your private interests) with your official duties in order to identify whether a conflict of interest exists whenever your circumstances change, such as a change in roles or you undertake particular tasks, such as procurement activities, recruitment involvement, or as you develop relationships with employees, stakeholders or external suppliers
- re-notify conflicts of interest using the conflict of interest when your circumstances change
- take reasonable steps to report improper conduct or integrity concerns in relation to a conflict of interest to the [Speak Up](#) mailbox or hotline
- not share any supervisory or reporting line relationships over spouses,

family members or relatives

- declare a potential conflict of interest even if there is uncertainty as to whether a conflict exists and discuss the situation with your manager.

Managers are responsible for ensuring:

- your employees are aware of their obligations to comply with this policy, act with integrity and provide detailed information pertaining to their conflict of interest
- they have acquired a complete understanding of the risks associated with the conflict of interest and have sought further details from the employee where needed
- they work with employees to develop risk-based conflict management plans and actively manage the conflict in an ongoing matter, or until the conflict no longer exists
- conflicts of interest are escalated to the decision maker promptly so they may be finalised within 14 calendar days from submission
- there are appropriate communication strategies in place to manage the perceptions other employees may have regarding the conflict of interest
- where a conflict of interest is escalated to a decision maker other than the manager for a decision, ensure they fully understand the details of the situation leading to the conflict as they (or their SES) may be asked for advice in relation to the conflict.

Decision makers are responsible for:

- making decisions about a conflict of interest within 14 calendar days from submission
- ensuring risk-based conflict management plans and related decisions are made on proper grounds, for legitimate reasons and without bias
- ensuring such decisions and conflict management plans are clearly recorded in the conflict of interest declaration
- ensuring conflicts of interest are actively managed by the employee and manager in an ongoing manner, or until the conflict no longer exists.

7. Consequences of not complying with this CEI

Employees who breach this CEI may be in breach of the APS Code of Conduct and sanctions may apply. See [Procedures for determining whether an employee has breached the APS Code of Conduct and imposition of sanction](#).

Contracted individuals who breach this CEI may be in breach of their contract with the ATO.

8. More information

- For more information go to [Conflicts of interest](#) and/or [Outside employment](#) supporting information, talk to your manager, contact the

[People Helpline](#) or send an email to the [ATO Integrity Unit](#) for assistance.

- For information relating to professional interactions with former SES employees or specified non-SES staff refer to specific [protocols](#).

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