Rule of Procedure for the Economic Council

General Rules

According to §2 of the Parliament Act dated 5th May 2021 on the Economic Counsil, the Governmental Bank board serves as the Economic Council, and according to §4, the Governmental Bank handles the secretarial tasks and is responsible for the daily administration of the Economic Council.

The Governmental Bank has its own rules of procedure, and these rules of procedure apply to the Economic Council.

These rules of procedure can be amended upon proposal by council members, if a majority supports the proposed amendment. Amendments take effect for the Economic Council once they have been approved by the Council.

The task of the Economic Council is to monitor the country's economic conditions and provide independent advice and reports on economic developments. The Council's activities are further described in §3 of the Act of the Economic Council.

The Council

The board of the Governmental Bank also serves as the Economic Council. According to §2, subsection 2 of the Parliament Acts on the Governmental Bank of the Faroe Islands and the Faroese Systemic Risk Council dated 24th November 2016, the Council consists of five members, appointed by the Minister of Finance for a term of three years.

Referring to §2, subsection 2 of the Governmental Bank Act, the Minister of Finance appoints the chairman.

None of the board members (and thus Council members) may serve on the board or management of financial institutions or insurance companies. The Governmental Bank's website provides information on other work and positions held by Council members outside their ordinary professional employment.

According to the Act, the advice provided by the Economic Council must be professional and independent. If a Council member is asked to participate in work outside their ordinary employment, the member must inform the Economic Council, which will then consider whether such participation could compromise the Council's independence.

Director

The Governmental Bank serves as the secretariat for the Economic Council. If the Economic Council requires a task or work to be carried out, this is arranged with the Director.

The administration of the Governmental Bank prepares economic outlook reports and thematic reports, which are reviewed by the Economic Council.

The Economic Council participates in the preparation of such reporst to the extent it considers necessary, and may also itself prepare and produce thematic reports if it deems this necessary.

Financial Affairs

This is addressed in the Rule of Procedure of the Governmental Bank.

Information

The chairman informs the Cuncil when invited to give presentations at various events or conferences and, where necessary, discusses the topic with the Council before the presentation. Likewise, the chairman of the Economic Council informs the Council, as far as possible, when requested to moment in the media.

Who may speak on behalf of the Economic Council.

The chairman of the Economic Council speaks on behalf of the Council and within its area of responsibility. The chairman may delegate this authority to other members of the council or to the director of the Governmental Bank. In cases of uncertainty about whether a matter falls under the Economic Council or the Governmental Bank, it will be agreed on a case-by-case basis who speaks publicly on the matter.

Conflict of interest - Personal interests

A Council member must be open about any special personal interests if a related matter is under consideration by the Economic Council. This is to ensure transparency in the discussion.

If a Council member has a particular interest in a matter being considered by the Economic Council, this must be noted in reports, memoranda, and other documents, that the member did not participate in the work relating to that matter.

Confidentiality

Members of the Systemic Risk Counsil, employees of the Governmental Bank, assistants, and others working for the Governmental Bank are obligated (under §152 and §§152c-152f of the Penal Code) to keep confidential any sensitive information they acquire through their work. This obligation also applies after the period of employment or service has ended. The board members are bound by the same confidentiality requirements.

The Economic Council

Tórshavn, __ - __ / ____