

Vanuatu Sessional Legislation

Leadership Code Act 1998

Assent: 16 April 1998 Commencement: 7 August 1998

REPUBLIC OF VANUATU

LEADERSHIP CODE ACT

NO. 2 OF 1998

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REPUBLIC OF VANUATU

LEADERSHIP CODE ACT

NO. 2 OF 1998

An Act to give effect to Chapter 10 of the Constitution and provide for a Leadership Code.

BE IT ENACTED by the President and Parliament as follows:

PART 1 - PRELIMINARY

PURPOSE

1. The purpose of this Code is to give effect to Chapter 10 of the Constitution by providing for a Leadership Code to govern the conduct of the leaders of the people of Vanuatu.

SUMMARY OF OBLIGATIONS IMPOSED ON LEADERS BY CHAPTER 10 OF THE CONSTITUTION

2. (1) In Chapter 10 of the Constitution, Article 66 provides that a leader must conduct himself in such a way, both in his public and private life, so as not to:

(a) place himself in a position in which he has or could have a conflict of interest or in which the fair exercise of his

- public or official duties might be compromised; or
(b) demean his office or position; or
(c) allow his integrity to be called into question; or
(d) endanger or diminish respect for and confidence in the integrity of the Government of the Republic of Vanuatu.

(2) Article 66 also provides that, in particular, a leader must not use his office for personal gain or enter into any transaction or engage in any enterprise or activity that might be expected to give rise to doubt in the public mind as to whether he is carrying out or has carried out the duty imposed by sub-article 66 (1).

(3) Article 68 requires Parliament by law to give effect to the principles of Chapter 10.

LEADER'S BEHAVIOUR

3. A leader holds a position of influence and authority in the community. A leader must behave fairly and honestly in all his or her official dealings with colleagues and other people, avoid personal gain, and avoid behaviour that is likely to bring his or her office into disrepute. A leader must ensure that he or she is familiar with and understands the laws that affect the area or role of his or her leadership.

INTERPRETATION

4. (1) In this Code, unless the context otherwise requires:

"benefit" includes service and advantage;

"Clerk" means the Clerk of Parliament;

"close family" of a leader means, a parent, brother, sister, spouse, nephew, niece or child including a person:

- (a) who is adopted legally or in accordance with custom; or,
- (b) for whom a leader is or was the care-giver such that there exists as between the leader and that person a relationship in the nature of parent and child, includes a spouse of any person referred to in this definition and their children;

"Government" means:

- (a) the Government of Vanuatu; or
- (b) a local government council; or
- (c) a municipal council.

"gift" includes a service or any other benefit; "proceeds", in relation to an offence, means any property that is derived or realised, directly or indirectly, by any person from the commission of an offence;

"property" means real or personal property of every description, whether situated in Vanuatu or elsewhere, and includes:

- (a) cash and money in an account with a bank; and
- (b) an interest of any kind in the property;

"public money" means all the resources and entitlements owned by, owed to, or held by the State, or held by the Government or any ministry or department, agency, or any other person for or on behalf of the Government, ministry, department or agency and includes money under the control of:

- (a) the Government of Vanuatu; or
- (b) a municipal or local government council; or
- (c) a statutory body; "statutory body" means a body established by or under a law of Vanuatu.

(2) In determining whether a person owns or controls property, regard may be had to:

- (a) shareholdings in, debentures over or directorships of a company that has an interest (whether direct or indirect) in the property; and
- (b) a trust that has a relationship with the property; and
- (c) family, domestic or business relationships between:
 - (i) persons having an interest in that property, in those companies or in those trusts; and
 - (ii) other persons.

LEADERS

5. In addition to the leaders referred to in Article 67 of the Constitution, the following are declared to be leaders:

- (a) members of the National Council of Chiefs;
- (b) elected and nominated members of local government councils;
- (c) elected and nominated members of municipal councils;
- (d) political advisors to a Minister;
- (e) directors-general of ministries and directors of departments;
- (f) members and the chief executive officers (however described) of the boards and statutory authorities;
- (g) chief executive officers or secretaries-general of local governments;
- (h) the town clerks (or their equivalent in name) of municipal councils;
- (i) persons who are:
 - (i) directors of companies or other bodies corporate wholly owned by the Government; and
 - (ii) appointed as directors by the Government;
- (j) the Attorney General;
- (k) the Commissioner and Deputy Commissioner of Police;
- (l) the Solicitor-General;
- (m) the Public Prosecutor;
- (n) the Public Solicitor;
- (o) the Ombudsman;
- (p) the Clerk of the Parliament;
- (q) the Principal Electoral Officer;
- (r) the Auditor-General;
- (s) the Chairperson of the Expenditure Review Committee;
- (t) the Chairperson when acting in that capacity of the Tenders Board;
- (u) members of the Public Service Commission;
- (v) members of the Teaching Service Commission;
- (w) members of the Police Service Commission;
- (x) members of the Electoral Commission;
- (y) the Commander of the Vanuatu Mobile Forces.

MEANING OF "INTEREST"

6. A leader has an interest in a matter in either a business or personal capacity if the leader or his or her close family, either alone or with someone else:

- (a) owns, directly or indirectly, property or other assets of any kind related to the matter; or
- (b) in the case of a company or other body corporate related to the matter owns shares in the company or body; or
- (c) is in a position of control in relation to the matter.

CONFLICT OF INTEREST

7. (1) A leader has a conflict of interest in a matter if the matter relates in any way to:

- (a) property the leader directly or indirectly owns or controls; or
- (b) property owned or controlled, directly or indirectly, by a member of the leader's close family; or
- (c) property in which the leader has a beneficial interest of any kind, whether through a trust or otherwise.

(2) A leader has a conflict of interest in a matter if the leader, or a member of the leader's close family, could benefit directly or indirectly from a decision on the matter, except as a member of a community or group.

MEANING OF "BENEFIT"

8. A reference in this Code to a benefit derived by a person includes a reference to:

- (a) a benefit derived indirectly by the person; and
- (b) a benefit derived, directly or indirectly, by another person at the request or direction of the first person.

PROPERTY OR BENEFIT OUTSIDE VANUATU

9. A reference in this Code to property, or to a benefit or advantage, includes a reference to property situated, or a benefit or advantage received, outside Vanuatu.

CUSTOM

10. (1) Subject to subsection (2), the giving or accepting of a gift by a leader is not a breach of this Code if it is done:

- (a) in accordance with custom; and
- (b) in the course of a traditional exchange of gifts; and
- (c) openly; and
- (d) for the benefit of a community or group, rather than an individual.

(2) A gift to a leader on behalf of the state must be dealt with in such manner as shall be prescribed.

ROLE OF CHIEFS

11. It is the intention of this Code that Chiefs be able to maintain their customary role in connection with the conduct of leaders, so long as that does not conflict in any way with the principles of this Code.

APPLICATION OF LEADERSHIP CODE

12. This Code applies to the conduct and actions of leaders after 1 July 1998.

PART 2

DUTIES OF LEADERS

DUTIES OF LEADERS

13. (1) A leader must:

- (a) comply with and observe the law;
- (b) comply with and observe the fundamental principles of leadership contained in Article 66 of the Constitution;
- (c) comply with and observe the duties obligations and responsibilities established by this Code or any other enactment that affects the leader; and
- (d) not influence or attempt to influence or exert pressure on or threaten or abuse persons carrying out their lawful duty.

APPOINTING PEOPLE ON MERIT

14. A leader must:

- (a) act fairly in appointing people to offices and positions for which he or she has responsibility, so that people are appointed impartially and on merit; and
- (b) do his or her best to encourage participation in government by men and women according to their abilities; and
- (c) not interfere or attempt to interfere in the Public Service Commission in breach of the Public Service Act 1998.

OFFICIAL BUSINESS TO HAVE PRIORITY

15. A leader must always give priority to his or her official business over his or her private business interests.

DISCLOSURE OF PERSONAL INTEREST

16. (1) A leader who has a personal business interest in a matter which he or she has to deal with in his or her official capacity as a leader, or who is likely to have a conflict of interest in relation to the matter, must disclose in writing that interest:

- (a) if the leader is a minister or member of Parliament, to the Parliament; or
- (b) if the leader is a member of a local government or municipal council, to the Council; or
- (c) if the leader is a member of a board, commission or other statutory body, to the other members of the body; or
- (d) in the case of any other leader, to the person or body by whom he or she was appointed, or reports to.

(2) A leader referred to in paragraph (1)(b) or (c):

- (a) must declare his or her interest to the other members of the council or body before the matter is dealt with by the council or body; and
- (b) must not be present during the discussion of the matter; and
- (c) is not entitled to vote on the matter.

ADDITIONAL DISCLOSURE OF INTEREST BY MINISTERS

17. A Minister who is a member of the Council of Ministers and who has an interest in a matter coming before the Council of Ministers:

- (a) must disclose the interest to the Council before the matter is discussed by the Council;
- (b) must not be present during the discussion of the matter; and
- (c) is not entitled to vote on the matter.

DIVESTING OF ASSETS

18. (1) A person who becomes a leader in an area in which he or she has an interest in a business or personal capacity must:

- (a) divest himself or herself of the interest if that interest is or is likely to conflict with the leaders official duty or duties; or

(b) resign from that position of leader.

(2) To divest himself or herself of the interest, the leader may:

(a) sell the interest; or

(b) transfer the interest to a trust to manage on the leader's behalf while the leader remains a leader in that area.

(3) In any case, the leader must not involve himself or herself in the day-to-day management of the interest.

PART 3 BREACHES OF LEADERSHIP CODE

BREACH OF LEADERSHIP CODE

19. A person who does not comply with Part 2, 3 or 4 is guilty of a breach of this Code and is liable to punishment in accordance with Part 6.

MISUSE OF PUBLIC MONEYS

20. A leader must not use, or agree to the use of, any public money for a purpose other than the purpose for which it may lawfully be used.

ACCEPTANCE OF LOANS

21. A leader must not accept a loan, (other than on commercial terms from a recognised lending institution and only if the leader satisfies the lending institution's usual business criteria or in accordance with the customary practice of a particular place for or during a traditional ceremony), advantage or other benefit, whether financial or otherwise, from a person.

UNDUE INFLUENCE

22. (1) A leader must not exercise undue influence over, or in any other way bring pressure to bear on, a person who is:

(a) another leader; or

(b) any other person holding public office;

so as to influence, or attempt to influence, the person to act in a way that is:

(c) in breach of this Code; or

(d) improper; or

(e) illegal; or

(f) against the requirements of the Act under which the person was appointed; or

(g) contrary in any other way to the requirement of the person's office or position.

(2) A leader must not influence or attempt to influence or exert pressure or threaten or abuse or interfere with, persons carrying out statutory functions.

BRIBERY

23. A leader must not:

(a) corruptly ask for or receive; or

(b) agree to ask for or obtain; or

(c) corruptly offer; any money, property, or other benefit or advantage of any kind, for:

(d) himself or herself; or

(e) another person or body;

in exchange for his or her acts or omissions as a leader being influenced in any way, either directly or indirectly.

CONFLICT OF INTEREST

24. A leader who has a conflict of interest in relation to a matter must not act in relation to the matter, or arrange for someone else to act in relation to the matter, in such a way that the leader or a member of his or her close family benefits from the action.

LEADER NOT TO HOLD ANY OTHER PUBLIC OFFICE OR POSITION

25. A leader must not hold any other public office or position for which he or she receives a salary, payment or other benefit of any kind, whether financial or otherwise, from the government or a statutory body, if that other office or position conflicts with or interferes in any way with the ability of the leader to fulfil his or her principal tasks and duties as a leader.

INTEREST IN GOVERNMENT CONTRACTS

26. A leader must not have or seek a beneficial interest in a contract, other than on a transparent arm's length commercial basis, and only if the interest in the contract is achieved in accordance with any law enacted for that purpose, and is subject to a legitimate tender process, if one of the parties to the contract is:

- (a) the Government; or
- (b) a statutory body; or
- (c) a company or other body corporate wholly or partly owned by the Government.

OTHER OFFENCES PUNISHABLE UNDER THIS ACT

27. (1) A leader who is convicted by a court of an offence under the Penal Code Act [CAP. 175] and as listed in subsection (2) is:

- (a) in breach of this Code; and
- (b) liable to be dealt with in accordance with sections 41 and 42 in addition to any other punishment that may be imposed under any other Act.

(2) The offences are:

- (a) intentional homicide;
- (b) intentional assault causing death or damage of a permanent nature;
- (c) rape or attempted rape;
- (d) abduction;

- (e) incest;
- (f) sexual intercourse with a girl under care or protection;
- (g) indecent assault;
- (h) a serious intentional assault;
- (i) perjury;
- (j) making a false statement;
- (k) fabricating or destroying evidence;
- (l) conspiracy to defeat justice;
- (m) corruption and bribery of officials;
- (n) theft or misappropriation or false pretences;
- (o) fraud or fraudulently obtaining credit;
- (p) receiving property dishonestly obtained;
- (q) demanding with menaces;
- (r) robbery;
- (s) extortion;

- (t) forgery or uttering forged documents;
- (u) unlawful discrimination;
- (v) unlawfully entering;
- (w) any of the offences under Part XV of the Representation of the People Act [CAP. 146];
- (x) attempting to commit any of these offences.

(2) This section does not limit the power of a court to deal with a person under any other Act.

OBEYING THE LAW

28. A leader acting in his or her capacity as a leader who fails to abide by an enactment that imposes on the leader a duty, obligation, or responsibility is in breach of this Code.

SPECIFIC PROVISIONS

29. Without limiting the generality of section 28 a leader who fails to abide by the provisions of an Act that provides for:

- (a) the public service; or
 - (b) public finance or economic management; or
 - (c) expenditure review committee or audit functions; or
 - (d) government contracts or tenders;
- is in breach of this Code.

OFFENCES BY OTHER PERSONS

30. (1) A person other than a leader who:

- (a) takes part in conduct that is a breach of this Code; or
 - (b) obtains a benefit, directly or indirectly, from an act or omission that is a breach of this Code; is guilty of a breach of this Code.
- (2) A person other than a leader must not exercise undue influence over or in any other way bring pressure to bear on a leader, so as to influence, or attempt to influence, the leader to act in a way that is in breach of this Code.
- (3) A person who is found guilty of a breach under this section is liable, on conviction, to a penalty of:
- (a) a fine not exceeding VT5,000,000; or
 - (b) imprisonment for a period not exceeding 10 years; or both the fine and imprisonment.
- (2) If the person obtains a benefit as a result of acting in breach of this section, the court may make an order that the benefit be recovered in accordance with section 45 or 46.

PART 4

ANNUAL RETURNS

ANNUAL RETURNS

31. (1) Every leader must complete an annual return for the preceding year setting out details of the leader's assets and liabilities in accordance with the form in the Schedule.
- (2) The annual return must be given to the clerk of the Parliament:
- (a) within 2 months of becoming a leader; and
 - (b) by 1 March in each year.
- (2) The annual return must set out details, listed in subsection (4), of the assets and liabilities of:
- (a) the leader; and
 - (b) the leader's spouse and children where feasible;
 - (c) any trust of which the leader or the leader's spouse or children are a beneficiary where feasible.
- (2) The details to be set out in the annual return are:

- (a) all land and other property (except one family home);
- (b) all vehicles (except one family vehicle);
- (c) all shares in public or private companies;
- (d) all income;
- (e) all liabilities;
- (f) directorships in corporations;
- (g) all directorships or other office held in unincorporated bodies;
- (h) any assets acquired or disposed of during the period covered by the return;
- (i) any liabilities acquired or discharged during the period covered by the return.

(2) The details must include assets within and outside Vanuatu.

(3) The leader is not required to include:

- (a) any liabilities in respect of the family home; or
- (b) the personal effects of the leader and his or her spouse and children.

PUBLICATION OF ANNUAL RETURNS

32. (1) The Clerk must ensure that :

- (a) annual returns filed by the leaders; and
- (b) a list of leaders who have failed to give the Clerk an annual return,

are published in the *Gazette*, by 14 March in each year.

(2) The list must set out the leader's name, and the position he or she holds.

FAILURE TO FILE ANNUAL RETURN

33. A leader who:

- (a) does not file an annual return as required by section 31, and after having been warned by the Clerk in writing of his failure to do so, fails to file the return within a further 14 days; or
- (b) files a return knowing that it is false in a material particular;

is guilty of a breach of this Code.

PART 5 - INVESTIGATION AND PROSECUTION OF LEADERS

ROLE OF OMBUDSMAN

34. (1) The Ombudsman must investigate and report on the conduct of a leader (other than the President):

- (a) if the Ombudsman receives a complaint from a person that a leader has breached this Code; or
- (b) if the Ombudsman has formed the view on reasonable grounds that a leader may have breached this Code.

(2) The Ombudsman must give a copy of the report to the Public Prosecutor and where, in the opinion of the Ombudsman, the complaint involves criminal misconduct, to the Commissioner of Police within 14 days after forwarding his or her findings to the Prime Minister under Article 63(2) of the Constitution.

(3) Where an Act provides for the functions, duties, and powers of the Ombudsman, the provisions of that Act will apply when the Ombudsman is carrying out an investigation under this Act.

(4) Notwithstanding subsection (3), for the purpose of fulfilling any function or duty lawfully conferred or imposed on the Ombudsman under this Act, the Ombudsman :

- (a) shall have full access at all convenient times to Government contracts, documents, books, accounts and any other

material that relates to and is relevant to the investigation; and b) may, by notice in writing signed by the Ombudsman require any person having possession or control of any Government contract, documents, books, accounts or any other material that relates to and is relevant to the investigation to deliver such document or documents to the Ombudsman at such time and place as is specified in the notice; and

(c) may cause extracts to be taken from any Government contract, documents, books, accounts or any other material that relates to and is relevant to the inquiry without paying any fee therefor.

(5) Where a person fails to comply with a notice or any other requirement under subsection (4) the Ombudsman may apply to the Supreme Court for an order requiring that person to do so.

(6) Where the complaint is against the Ombudsman the investigation will be carried out by the Attorney-General in accordance with the procedure set out in this part as if the Attorney-General were vested with all the functions, duties discretions and powers of the Ombudsman.

PUBLIC PROSECUTOR TO CONSIDER OMBUDSMAN'S REPORT

35. (1) The Public Prosecutor must:

(a) consider the report; and

(b) if within 14 days of receiving the report, is of the opinion that further investigation is required, refer the report to the Commissioner of Police for that purpose; and

(c) after receiving the results of the investigation, decide whether there are sufficient grounds to prosecute the leader or any other person.

(2) If, after considering the report under subsection 1(a), or after considering the results of the investigation under subsection 1(c), the Public Prosecutor decides the complaint is vexatious, frivolous or trivial the Public Prosecutor may determine not to prosecute a leader. If the Public Prosecutor does decide not to prosecute on those grounds he or she must follow the procedure set out in section 37(3).

(3) Where the complaint is against the Public Prosecutor the Attorney-General will carry out the duties and obligations of the Public Prosecutor in accordance with the procedure set out in this Part.

INVESTIGATION BY POLICE AFTER A COMPLAINT

36. (1) Where the Commissioner of Police receives a report under section 34 (2), the Commissioner must:

(a) ensure that the police force investigates the complaint; and

(b) within 60 days of the complaint being made:

(i) forward the results of the investigation to the Public Prosecutor, if the Commissioner is of the view that there is sufficient evidence to support a prosecution; or

(ii) if the Commissioner is not satisfied of this, inform the complainant in writing of this decision and the reasons for that decision and provide a copy to the decision and reasons to the Public Prosecutor.

(2) If the person making the complaint to the Ombudsman requests the Ombudsman in writing not to publish that person's name, the Ombudsman must provide a copy of that request to the Commissioner who must ensure that the person's name is not disclosed to anyone other than:

(a) another member of the police force; or

(b) the Public prosecutor; or

(c) in accordance with a court order.

PUBLIC PROSECUTOR TO DECIDE ON PROSECUTION

37. (1) The Public Prosecutor must decide, within 3 months of receiving the report, whether there are sufficient grounds or evidence to support a prosecution under this Code or under any other Act.

(2) The Public Prosecutor may decide not to prosecute only on the basis that there is insufficient grounds or evidence

to support a prosecution, or that the complaint is vexatious, frivolous or trivial.

(3) If the Public Prosecutor decides not to prosecute a person, he or she must:

- (a) notify the Prime Minister of the decision within 7 days of making the decision, giving reasons for the decision; and
- (b) publish a notice in the Gazette within 14 days of the decision, stating that he or she has decided not to prosecute, and setting out the reasons for the decision.

PROCEEDINGS AGAINST LEADER

38. (1) If the Public Prosecutor decides that there are sufficient grounds to support a prosecution, he or she must begin proceedings within one month of deciding to prosecute a leader.

(2) If the Public Prosecutor is not able to begin proceedings against the leader, or has not been able to decide whether to prosecute or not, within 3 months because the matter is complex, the Public prosecutor must:

- (a) notify the Prime Minister of this, and tell the Prime Minister that he or she needs an extension of another 3 months to complete consideration of the matter; and
- (b) publish a notice in the Gazette to this effect.

(2) The Public Prosecutor must decide the matter and either begin the proceedings, or publish the notice, before the end of that second period of 3 months.

CONDUCT OF PROCEEDINGS

39. (1) Proceedings against a leader for a breach of this Code, or against another person under section 30, are to be conducted in the same way as any other criminal proceedings.

(2) Proceedings under sections 45 and 46 are to be conducted in the same way as proceedings for the recovery of a debt or other property.

(3) Proceedings under this Act may in the Court's discretion, be heard by 3 judges sitting together.

PART 6 - PUNISHMENT OF LEADERS

FINE OR IMPRISONMENT

40. (1) A leader who is convicted of a breach of section 19, or 20, or 21, or 22, or 23, or 24 or 26 or 27 is liable to -

- (a) a fine not exceeding VT5,000,000; or
- (b) imprisonment for a period not exceeding 10 years.

(2) A leader who is convicted of a breach of section 33 is liable to :

- (a) a fine not exceeding VT2,000,000; and
- (b) if the offence is a continuing one to a fine not exceeding VT20,000 a day for each day or part day the leader remains in breach.

(2) A leader who is convicted of a breach of this code for which no specific penalty is provided is liable to a fine not exceeding VT2,000,000.

DISMISSAL FROM OFFICE

41. (1) Where a leader is convicted of a breach of this Code the court may, if it regards the breach as serious, make an order dismissing the leader from office.

(2) In determining whether the breach of this code is serious, the court may have regard to:

- (a) in the case of a breach involving a financial matter, the amount involved;
- (b) whether the conduct of the leader was significantly below what would be expected of a leader;
- (c) where it is possible to discern, the motives of the leader;
- (d) the extent to which the breach diminished the respect or public confidence in the leader's position; and
- (e) whether the leader has been previously convicted of a breach of this Code.

DISQUALIFICATION FROM FUTURE OFFICE

42. Where the leader is dismissed from office under section 41 the leader is disqualified from standing for election as,

or being appointed as, a leader of any kind for a period of 10 years from the date of the conviction.

LOSS OF EMPLOYMENT BENEFITS

43. If the leader is entitled to any other payment or allowance, on ceasing to be a leader, as a result of being dismissed from office under this Act, the entitlement ceases.

DEPRIVATION OF PROCEEDS OF CORRUPTION

44. If:

- (a) a leader has been convicted of a breach of this Code (including an offence listed in section 27);
- (b) the leader or another person has obtained a benefit in any way from the conduct that constituted the breach; and

the leader or the other person is not entitled to retain the benefit.

RECOVERY OF PROCEEDS

45. (1) If the Public Prosecutor is of the opinion that a leader who has been convicted of a breach of this Code has obtained property or any other benefit from the breach, the Public Prosecutor must apply to the Court for an order that:

- (a) the property be forfeited to the Government of Vanuatu;
- (b) the leader pay a pecuniary penalty equal to the value of any other benefit he or she received;

or both, but the total sum ordered to be paid must not exceed the value of the property or benefit received.

(2) The order does not take effect until:

- (a) after the end of any appeal period in relation to the conviction; or
- (b) if the leader has lodged an appeal then, after the appeal has been determined.

RESTRAINING ORDER

46. (1) If the Public Prosecutor is of the opinion that property that may have been obtained from a breach of this Code may be disposed of by a leader or other person, the Public Prosecutor may apply to the Court for an order restraining the leader or any other person from dealing with the property.

(2) If the Court makes the restraining order, the leader or any other person must not sell, dispose of or otherwise deal with the property without the approval of the Court.

EFFECT OF FORFEITURE ORDER

47. (1) If a Court makes a forfeiture order against property, the property vests absolutely in the Government of Vanuatu.

(2) Every registrar and every person who is charged with the responsibility of recording the ownership of property (whether as a matter of public record or otherwise) will take notice of any further order and will without further authority than this section take all such steps to record the ownership of such property in the name of the Government or the Government's nominee upon production of the order.

EFFECT OF PENALTY ORDER

48. If the court makes an order for a pecuniary penalty against a leader, the amount ordered is payable to the Government of Vanuatu and may be recovered as a debt due in a court of competent jurisdiction.

HARDSHIP

49. Before making an order under section 45 or 46, the court may take into account any hardship that would be caused to a person other than the leader.

DEFENCE TO PROSECUTION

50. It shall not be a defence to a prosecution under this Act that the accused was not at the time of an investigation or is not in the course of prosecution under this Act or in the event of a conviction at time of sentencing a leader, and for the purposes of establishing jurisdiction it shall be sufficient for the prosecution to establish that at the time of the offence the accused was a leader.

REGULATIONS

51. The Minister may make regulations, not inconsistent with this Act, for all matters required or necessary to give effect to this Act.

COMMENCEMENT

52. This Act commences on the date of its publication in the *Gazette*.

SCHEDULE

Form of Annual Return

Section 31

Leader's name:

Address:

Office or Position held: Names of leader's spouse and children Address (if different from leader's address)

ASSETS

Real and personal property: Land Houses (except one family home) Vehicles (except one family vehicle) Boats and other vessels Other assets Shares held Name of company Number of shares Money in bank, credit union etc. (Total only) Income during previous year Gifts received during the previous year

LIABILITIES

Liabilities Mortgage (except on family home) Other money owing

TRANSACTIONS

Assets acquired or disposed of during the year Liabilities acquired or discharged

DIRECTORSHIPS AND OTHER OFFICES HELD

Name of company or other body Position held I declare that the information in this return is true. Date Signature of leader

REPUBLIC OF VANUATU

BILL FOR THE

LEADERSHIP CODE ACT

NO. OF 1998

Explanatory Note

PART 1 - PRELIMINARY

This part sets out the purpose of the Bill, sets out the summary of obligations imposed on leaders by Chapter 10 of the Constitution and general definition provisions relating to who is a leader, the meanings of "interest", conflict of interest, benefit, and property, for the assistance of the interpretation of the Bill.

This part also deals with the receiving of gifts and the role of custom chiefs and the application of the Leadership Code to Government.

PART 2 - DUTIES OF LEADERS

This part of the Bill sets out the duties of leaders and the general requirements of appointed leaders, that leaders must appoint people on merit, deal with official business in priority to personal business, disclose personal interests. The part also has some additional clauses dealing with the disclosure of interest by Ministers and the divesting of assets by leaders when conflict may occur.

PART 3 - BREACHES OF LEADERSHIP CODE

This part of the Bill sets out various specific breaches such as misuse of public money, rules providing for the acceptance of loans, undue influence, bribery, conflict of interest and abiding by the law. This part of the Bill also has clauses dealing with offences by persons and leaders.

PART 4 - ANNUAL RETURNS

This part of the Bill requires leaders to file with the Clerk of Parliament details of the leader's assets and liabilities in accordance with the form in the Schedule attached to this Bill. And also requires a leader to file an annual return of his or her assets and liabilities.

PART 5 - INVESTIGATION AND PROSECUTION OF LEADERS

This part of the Bill sets out the roles and responsibilities of certain office holders in the investigation and prosecution of leaders. The bill provides that the Ombudsman and the Police have an investigative role, whilst any decision to prosecute or not will rest with the Public Prosecutor.

PART 6 - PUNISHMENT OF LEADERS

This part of the Bill deals with the penalty for offences committed in breach of the Code and has provisions if the breach is regarded as serious by a judge for dismissal from office and for disqualification from future office. This part of the Bill also allows for the recovery of the proceeds of a breach and provides various powers for Public Prosecutor to apply to the Courts for the recovery of a benefit obtained in breach of the Code. There is a hardship provision allows the Court not to order recovery of a benefit if that results in hardship against a person other than the leader.

SCHEDULE

The Schedule at the conclusion of the bill contains the form of the annual return to be made as prescribed under Part 4.

MAY, 1998 DONALD KALPOKAS

Prime Minister