

## Rules Relating to Conflict of Interest, 2080

### Chapter – 1

#### Preliminary

1. **Short Name and Commencement:** (1) The Rules shall be called "**Rules Relating to Conflict of Interest, 2080 (2023 AD)**".  
(2) These Rules shall come into force immediately.
2. **Definition:** (1) Unless the subject or context otherwise require in these Rules,
  - (a) "**Academic Council**" means the Academic Council of the University pursuant to Cause 10 of the Act.
  - (b) "**Act**" means the Madan Bhandari University of Science and Technology Act, 2079 (2022 AD)
  - (c) "**Agency**" includes a funding agency, granting council, foundation, organization or other entity, public or private, supporting in whole or in part, research and scholarly activities, development of the university.
  - (d) "**Conflict of Interest**" means any situation in which:
    - (i) a Member or a Related Party has a personal interest, whether direct or indirect, of which the Member is, or should be, aware, and that in the opinion of a reasonably informed and well advised Person is sufficient to put into question either the independence, impartiality and objectiveness that the Member is obliged to exercise in the performance of his or her duties or the ability of the Member to act in the best interests of the University (actual Conflict of Interest); or
    - (ii) a Member or a Related Party appears, in the opinion of a reasonably informed and well-advised Person, to have a personal interest, whether direct or indirect, that is sufficient to put into question the independence, impartiality, and objectiveness that the Member is obliged to exercise in the performance of his or her duties or the ability of the Member to act in the best interests of the University (apparent Conflict of Interest);
  - (e) "**Employee**" means the employee of the University pursuant to clause 19 of the Act.
  - (f) "**Family Member**" means a trustee's spouse, child (including an adopted or step-child), parent, parent-in-law, sibling, niece or nephew, legal guardian, or household member.
  - (g) "**Financial Interest**" means any interest, or opportunities as mentioned in the Rule 4 of these Rules.
  - (h) "**Legal Person**" includes corporations, partnerships, associations, foundations, organizations, government agencies, and any other entity or body.
  - (i) "**Member,**" means any member of the Madan Bhandari University of Science and Technology community:
    - (i) who is an employee of the University;

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- (ii) who holds office under the University Act or who serves on any body or committee of the University;
  - (iii) who is an appointee (including a volunteer) of the University.
  - (j) "**New Member**" means an individual who becomes a Member after the coming into effect of these Rules;
  - (k) "**Officer**" means the office bearer pursuant to Clause 6 of the University Act.
  - (l) "**Person**" includes, where the context requires, both natural and Legal Persons.
  - (m) "**Prescribed or as prescribed**" means prescribed or prescribed in the University Act and these Rules and Regulations made under these Rules.
  - (n) "**President**" means the President of the University pursuant to Clause 12 of the Act.
  - (o) "**Related Party**" includes:
    - (i) a Member's immediate family;
    - (ii) a Person living in the Member's household;
    - (iii) a Person with whom a Member has, or had, a close or intimate personal relationship;
    - (iv) a Person with whom the Member shares, directly or indirectly, a financial or other interest; or
    - (v) a Person to whom the Member owes a financial or moral obligation.
  - (p) "**Reporting Officer**" means the Officer for the purpose of Conflict of Interest as per the Rule 11.
  - (q) "**Reporting Officer's Superior**" means the individual to whom the Reporting Officer would personally report a Conflict of Interest.
  - (r) "**Researcher**" means the researcher of the University pursuant to Clause 19 of the Act.
  - (s) "**Rules**" mean the Rules made pursuant to Clause 37 of the Act.
  - (t) "**University**" means Madan Bhandari University of Science and Technology.
  - (u) "**Vice-President**" means the Vice-President of the University pursuant to Clause 6 (b) of the Act.
3. **Interpretation of Rules:** The Board of Trustees shall have the right to interpret these Rules.

## Chapter - 2

### Conflict of Interest

4. **Financial Interest:** Financial interest covers any opportunity to acquire any interest, in any business or Person or anything else of value including remuneration (such as salary, consulting fees, retainers, honoraria, bonuses, gifts, speaker's fees, advisory board remuneration, finders

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or recruitment fees), equity interests (such as stocks, stock options or other ownership interests), and intellectual property rights (such as patents, copyrights, royalties or other payments from such rights).

5. **Trust and Confidence:** (1) The University must pursue its mission in a manner that advances its goals, protects the integrity of all it does and maintains the confidence of all members of the University community, granting agencies and its public and private sponsors.
- (2) Trust is fundamental to the effective operation of the University. The expectation is that all members of the University will conduct themselves with integrity in accordance with the trust and confidence that is reposed in them.
- (3) Conflicts of interest may take various forms and may arise in various contexts. In essence a potential conflict of interest will exist whenever a member of the University community is in a position to influence the conduct of research, academic, human resource, business, financial, governance or other matters in ways that could lead to personal gain for the member or a related party, or give improper advantage to others, to the detriment of the University or other members of the University community.
6. **Purpose:** (1) The purposes of these Rules are to ensure that:
- (a) all affairs of the University are conducted in a manner that is free of actual and apparent conflict of interest and maintains the trust of the community in the University and its affiliated institutions;
- (b) at all times all members of the University Community act with integrity and adhere to the highest ethical standards;
- (c) the integrity of all members is protected in the performance of their University obligations and functions;
- (d) all members can identify actual or apparent conflicts of interest; and
- (e) all actual and apparent conflicts of interest are properly managed in keeping with the law and best practices.

### Chapter 3

#### General Duties of Members

7. **A Member shall:**
- (i) act responsibly, ethically and fairly with care, diligence, and loyalty and be accountable for his or her actions and decisions in the workplace;
- (ii) arrange their affairs in a manner that will bear public scrutiny;
- (iii) disclose Conflicts of Interest as soon as he or she is aware of them and address or manage them in the best interests of the University community;
- (iv) not act, after ceasing to be a Member, in such a manner as to take improper advantage of his or her prior association with the University.

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8. **Addressing Conflict of Interest:** (1) A Member, immediately upon becoming aware of a Conflict of Interest, shall make written disclosure of the facts material to the Conflict of Interest on a form approved by the Chief to:

- (i) his or her Reporting Officer in accordance with these provisions; and
  - (ii) in the case of a Conflict of Interest situation arising in the context of research involving human subjects, to the Ethics Committee in accordance with the University policies governing the ethical conduct of human subject research as exist from time to time.
- (a) The facts material to the Conflict of Interest may include as appropriate to the situation:
- (i) the Persons or group of Persons likely to benefit from the Conflict of Interest;
  - (ii) any Persons or group of Persons whose interests may be adversely affected by the Conflict of Interest;
  - (iii) the nature and value of any advantage or benefit, monetary or other, direct or indirect, that may be derived by the Member or a Related Party from the Conflict of Interest situation;
  - (iv) any existing Financial Interest the Member or a Related Party may have in any Person involved in the Conflict of Interest situation;
  - (v) the relationship the Member or a Related Party has with the Person which is the source of the Conflict of Interest situation including whether the Member or Related Party is an officer or director of, or consultant to, or serves on an advisory or other board external to the University or its affiliated institutions;
  - (vi) the benefit, if any, that will be derived by the University from the situation; and
  - (vii) other relevant information that may be requested by the Reporting Officer or, where appropriate, an Ethics Committee.
- (b) In addition to the requirements of Rule 8 Sub-Rule (1) and Sub-Rule (1)(a), a disclosure of a Conflict of Interest by a Member pertaining to matters in his or her capacity as a Member of a University committee or board shall be recorded in the minutes of the body in question and the Member shall withdraw from the committee's or board's deliberations and abstain from voting on any resolutions pertaining to the matter in which the Member has a Conflict of Interest.

A Member may also be required to resign his or her membership on the committee or board.

- (2) If a Member is uncertain as to whether he or she is, or will be, in a Conflict of Interest with regard to some matter, such Member shall consult his or her Reporting Officer or, where appropriate, an Ethics Committee, to clarify the issue.
- (3) After reviewing the Member's disclosure, the Reporting Officer may determine:
- (i) there is no Conflict of Interest;
  - (ii) there is a Conflict of Interest but it is permissible if appropriately addressed; or
  - (iii) there is a Conflict of Interest and it is not permissible.

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- (a) When making a determination under Rule 8 Sub-Rule (3) (ii) and (iii) the Reporting Officer shall meet with the Member and be guided by whether, if the Conflict of Interest is permitted:
- (i) the interests of the University can be adequately protected;
  - (ii) the interests of other Persons affected by the Conflict of Interest can be adequately protected;
  - (iii) the Conflict of Interest can be effectively addressed;
  - (iv) the proposed Conflict of Interest may compromise the Member's judgment in fulfilling his or her obligations and duties to the University;
  - (v) a reasonably informed and well-advised Person would view the Conflict of Interest as appropriate.
- (b) The decision of the Reporting Officer shall be in writing and include:
- (i) his or her determination as to the existence of a Conflict of Interest together with supporting reasons;
  - (ii) whether the Member is permitted to engage in the Conflict of Interest;
  - (iii) the period for which permission is effective;
  - (iv) the conditions, if any, under which permission is granted, which conditions shall as a minimum require:
    - (a) disclosure of the Conflict of Interest to any and all other Persons who would be affected by it; and
    - (b) that the Member promptly report any change in circumstances that may change the nature or scope of the Conflict of Interest or affect its management; and
  - (v) where appropriate, the mechanism to be used to monitor the Conflict of Interest.
- (c) The Reporting Officer shall forward a copy of his or her determination to the Member, the Reporting Officer's Superior and, in research related matters, to the Office of the Vice-President (Administration and Finance) within ten (10) working days of receipt of the Member's disclosure or within ten (10) working days of receipt of the additional information requested pursuant to rule 8 Sub-Rule (1) (a) (vii).
- (d) (1) If a Member is of the opinion that permission to engage in the Conflict of Interest has been unreasonably withheld by the Reporting Officer he or she may, within fifteen (15) working days of receipt of the Reporting Officer's determination, request a review of the Reporting Officer's determination by the Reporting Officer's Superior.
- (2) If the Reporting Officer's Superior is of the opinion that permission has unreasonably been granted or withheld, after consulting with the Member and the Reporting Officer, he or she may revoke or vary the Reporting Officer's determination in writing with accompanying reasons.
  - (3) The Reporting Officer's Superior shall forward a copy of his or her determination to the Member, the Reporting Officer and, in research related matters, to the Office of the Vice-President (Administration and Finance) within fifteen (15) working days of receipt of the Reporting Officer's

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determination or a Member's request for a review of that determination, as appropriate.

- (e) Notwithstanding Rule 8 Sub-Rule (3) through (4), where an Ethics Committee has been charged with a Conflict of Interest situation the matter shall be dealt with in accordance with the provisions of University policies governing the ethical conduct of human subject research as exist from time to time.

In addition to any filing requirements contained in University policies governing the ethical conduct of human subject research, a copy of the decision of the Ethics Committee and, where appropriate, of the decision of the Research Ethics Appeals Committee shall be filed with the relevant chair and the Office of the Vice-President (Administration and Finance).

9. **Confidentiality of Information:** (1) Except as required by law, any confidential information disclosed by a Member pursuant to this Rule shall be available only to those Persons who have a legitimate need to know, and to any Agency where disclosure is required to ensure compliance with the rules of that Agency.

10. **Reporting Officer:** (1) for the purpose of Conflict of Interest reporting officer shall be:

- (i) for the President, the Chairperson of the Board of Trustees;
- (ii) for the Vice President, or a Director, the President;
- (iii) for the constituent Chief, Vice President (Administration and Finance);
- (iv) for a Member of the academic staff institute to which the Member has been appointed in his or her official letter of appointment;
- (v) for a Member of the library staff, the Vice President (Administration and Finance);
- (vi) for a postdoctoral fellow, the supervisor of the postdoctoral fellow;
- (vii) for a graduate student, the student's supervisor;
- (viii) for any other Member, the holder of the office to whom the Member reports or who has supervisory responsibility over the Member;
- (ix) for a Member of a committee other than a committee of the Board of Trustees, the chair of the committee;
- (x) for the chair of a committee other than a committee of the Board of Trustees, the individual or the chair of the body to which the committee reports;
- (xi) in the event that a Reporting Officer is also implicated in the Conflict of Interest situation, the first Reporting Officer's Superior not so implicated.

- (2) **Reporting Officer's Superior** means the individual to whom the Reporting Officer would personally report a Conflict of Interest.

11. **Responsibility of Reporting Officers:** (1) It is the responsibility of a Reporting Officer:

- (i) to ensure that those who report to them are aware of the provisions of these Rules;

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(ii) to implement these Rules by promptly initiating remedial or disciplinary action as appropriate on becoming aware of an undisclosed Conflict of Interest affecting a Member.

**12. Responsibility of New Members:** (1) A New Member shall disclose all Conflicts of Interest to his or her Reporting Officer as required by these Rules within sixty (60) days following his or her becoming a Member.

**13. Cessation of Membership:** (1) A Member, upon ceasing to be a Member:

(i) shall respect the confidentiality of all information received in the performance of his or her duties, as well as the confidentiality of the deliberations of any University board or committee or body on which the Member has served in any capacity;

(ii) shall not make use of any University information that is not generally available to the public, in order to derive there from a benefit or advantage for the Member, a Related Party or his or her employer.

**14. Board of Trustees:** (1) These Rules do not apply to Members serving on the Board of Trustees or its committees of the Board of Trustees in so far as they are engaged in the official business of the Board of Trustees. Such Members shall comply with the *Code of Ethics and Conduct for Members of the Board of Trustees*.

**15. Failure to Comply with Rules:** (1) The failure of a Member who knows, or who should reasonably know, that he or she is in a Conflict of Interest, to comply with the provisions of these Rules may constitute a disciplinary offence under the rules, regulations, policies, code to which the Member is subject.



## Recognizing Conflicts

## A. In relation to students

- A.1 A member is involved in a teaching, supervisory or evaluative role with respect to a related party. For example, where
- a teaching assistant forms a close personal relationship with a student in the group assigned to her; or
  - an instructor becomes his nephew's Ph.D. thesis supervisor or a member of his supervisory committee.
  - a professor and a student are involved in a romantic or sexual relationship.
- A.2 A member participates in an admission or any other university decision concerning a related party. For example, where
- an administrator serving on a scholarships and awards committee participates in a discussion or decision concerning his daughter's application for a scholarship; or
  - an instructor, who also has external business interests, participates in the admissions decision of her business partner's child.
- A.3 A member takes part in any proceedings at any level that affect the academic standing of a related party. For example, where
- an instructor re-reads an examination paper of his partner's child; or
  - an academic administrator writes a letter of reference for her sister's child.
- A.4 An instructor assigns course materials to students in circumstances in which she or a related party will benefit from the assignment. For example, where
- an instructor assigns students in his course a text book he has written and for which he will receive royalties; or
  - an instructor assigns students course materials prepared by a related party and for which the latter will receive royalties.
- A.5 A member seeks remuneration from a student for
- writing a letter of recommendation for the student;
  - reviewing the student's term paper; or
  - fast-tracking the review of the student's thesis manuscript.
- A.6 A member enters into any contractual relationship (other than in a position explicitly sanctioned by the University such as a research or teaching assistant) with a student with whom the member has a teaching, supervisory or evaluative relationship. For example, where

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- a researcher employs her Ph.D. student in his or a related party's private off-campus laboratory; or
  - an instructor rents his house/apartment to a Ph.D. student who he is supervising.
- A.7 A member and her spouse serve as the co-supervisors for a student's thesis.
- A.8 A thesis supervisor delays the completion/publication of a student's thesis to allow the supervisor or a related party to be the first to publish the data/findings developed primarily by the student.
- A.9 An instructor imposes as a mandatory course requirement that students registered in the course participate as research subjects in the instructor's research.
- A.10 A thesis supervisor gives priority to his/her or a related party's research or other activities to the detriment of his or her students' theses.

**B. In relation to research**

- B.1 A researcher uses her, or a related party's, outside business interests to provide services to be charged to the researcher's research grants.
- B.2 A researcher has an arrangement with a third party who has an interest in the outcome of the research wherein advantages (including the payment of money, royalties, or grants, or the transfer of shares or options in the sponsor) are promised, formally or informally, to the researcher or a related party.
- B.3 A researcher diverts any research resources for his personal use or that of a related party.
- B.4 A researcher enters into any commitments relating to proprietary research that are likely to interfere or be confused with the researcher's duties to the University.
- B.5 A researcher receives, directly or indirectly, any payment, gift or other advantage or benefit from a third party in respect of the member's research activities.
- B.6 A member uses for her personal benefit, or that of a related party, research conducted at the University.
- B.7 A researcher recruits any member of the University community over who the researcher or a related party has authority, to be a participant in medical testing or in clinical trials involving human subjects.
- B.8 A member influences any research activities at the University so as to advance the personal interests of the member or a related party.
- B.9 A researcher enters into a private licensing agreement with a related party for the development of intellectual property generated as a result of University research.
- B.10 A researcher for her benefit, or that of a related party, unreasonably delays publication of, or prematurely announces, research results.
- B.11 A researcher accepts research funding on terms that are seen to compromise his ability to conduct the research freely or to publish promptly the results, whether positive or negative.

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- B.12 A researcher engages in private consulting activities (as defined from time to time in University Rules, Regulations or policies) for a third party with whom the University has a research contract and under which the Member is a Member of the research team.
- B.13 A researcher accepts to peer review a research proposal or funding application of
- another with whom the member or a related party is in direct competition; or
  - a related party.
- B.14 A researcher fails to disclose in a research publication that the research contained therein was funded by parties who have an interest in its outcome and where such relationship may raise questions about the researcher's objectivity or impartiality.
- B.15 A researcher, or a related party, has a financial interest in the outcome of a clinical trial in which the researcher is participating.

**C. In relation to human resources**

- C.1 A Member employs a related party in a position funded, directly or indirectly, by the University or the Member's research grant or contract.
- C.2 A Member is responsible for, or participates in, the appointment, employment, evaluation, advancement, or supervision of a related party.
- C.3 A Member makes or contributes to a decision on the appointment, advancement or evaluation of the performance and other activities of another who is directly competing with a Member or a related party. For example, where
- a director appoints a related party as chair of an Institute;
  - a principal investigator employs a related party as a research associate; or
  - an instructor employs a related party as his teaching assistant.
- C.4 A Member occupies a position in which a related party directly or indirectly reports to her.
- C.5 A member, already on staff at the University, actively lobbies for and promotes the "spousal employment" of her spouse.

**D. In relation to the institution**

- D.1 A Member serves on a board of directors, advisory board, or the like, of an outside organization which does, or is proposing to do, business with the University.
- D.2 A member participates as a member of a board or committee of the University on a matter in which the member or a related party has an individual interest in the outcome of the deliberations of that board or committee.
- D.3 A Member accepts employment with, or undertakes any activities on or off campus for, a third party at times during which the member would normally be expected to be engaged in his or her duties to the University.

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- D.4 A Member engages in a course of studies, or any other program or activity, that calls for attendance at or participation in lectures or other events at times during which the member would normally be expected to be engaged in his duties to the University.
- D.5 A Member uses University facilities, equipment, personnel or services for non-university activities or for the personal benefit of the Member or a related party.
- D.6 A Member uses attributions or references to the name of the University, or of any member of the University, or of any affiliated institutions, associations or organizations (including the insignia of the University or of any unit or affiliated institution, association or organization), to promote the non-university activities of the member or a related party.
- D.7 A Member uses his official University position for publicity, endorsement or advertising purposes for a related party.
- D.8 A Member promotes or advertises her or a related party's products or services at a University event.
- D.9 A Member uses information that is not available to the general public and acquired as a result of his University position, for purposes unrelated to that position.
- D.10 A Member privately commercializes intellectual property developed by her in the performance of the performance of her University duties.
- D.11 A Member receives, directly or indirectly, any payment, gift or other advantage or benefit (except of a nominal value or as part of social entertainment considered in keeping with good professional ethics and which do not obligate the Member) from a third party for the performance by the Member of his or her University functions or duties.
- D.12 A Member enters into any commitment with a third party that is likely to interfere or be confused with his duties to the University.
- D.13 A Member competes with the University in any activity or matter.
- D.14 A Member associates in any manner with a third party (including through its name, publicity or operations) which falsely implies that the third party is associated with or benefits from a relationship with the University;

**E. In relation to financial matters**

- E.1 A Member participates in the purchase or sale by the University of any goods or services from or to a related party.
- E.2 A Member influences the decisions of a third party doing business with the University for the benefit of any party besides the University.
- E.4 A Member makes personal purchases, or purchases for a related party, through:
  - the University purchasing department; or
- E.5 A Member diverts any University resources or funds for personal use or the use of a related party.
- E.6 A Member approves the expense claims or expenditures of a related party.

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- E.7 A Member accepts to teach or perform other duties for remuneration at another institution while on without approval of the University.
- E.8 A Member accepts payment from any third party for the performance activities that fall within his or her duties at the University.
- E.9 A Member sells property acquired, in whole or in part, through research funds, to the University for personal profit.
- E.10 An instructor places all his/her orders all of his/her course texts through a bookstore owned by a related party.

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