



## LEADERSHIP CODE COMMISSION

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TO: All Leaders

### **GUIDELINE FOR COMPLETING STATEMENTS OF DECLARATION & GENERAL ADVICE**

1. Section 8 of the Leadership Code (Further Provision) Act 1999 requires you to submit separate statements to declare financial affairs for yourself, spouse and children under 18 years. Be assured that your statements with the Commission will be kept in strict confidence. They can only be used for the purpose of the Commission or for other purposes required and or authorised by law.
2. Amongst other things, your declarations provide the basis for the Commission to advise you on conflict or potential conflict of interests. Besides, the Commission will also rely on your declarations to respond to any complaint it receives against you, particularly for unexplained wealth. However, the Commission can do that only if you fully and correctly disclose your interests. This guideline should help you do that.
3. The guideline has three Parts. Part 1 identifies the prescribed forms and explains the purpose of each form. Part 2 provides instructions about the kind of information expected in your response to the questions in Forms 1 and 1A. Part 3 answers some of the frequently asked questions. However, the questions and answers are not exhaustive. Therefore, if you still have questions or queries after reading this guideline, please seek assistance from our office.

#### **PART 1: - Prescribed Forms For Disclosing of Leaders' Interests**

4. The prescribed forms are **Form LC: 1, Form LC: 1A, Form LC: 2** and **Form LC: 3**. Each form is identified by the label at the top right hand corner.

#### **Form LC: 1 & Form LC: 1A**

5. The two Forms for disclosing of your financial interests to the LCC are Form LC: 1 and Form LC: 1A. Form 1 is for yourself and Form 1A is for your spouse and each child under 18 years. These forms must be submitted together.
6. Declare your interests by answering the specific questions in Form 1. Similarly, declare the interests of your spouse and children under the age of 18 years by answering the questions in Form 1A.
7. Complete and submit these forms to the Commission within three months of you becoming a leader or when the Commission advises you to do so.

8. Subsequent filing of declarations in these forms must be made within a period not exceeding two years or when the Commission advises you to do so.

### Form LC: 2

9. Form LC: 2 is an application to seek the Commission's approval if you, your spouse or children want to own and operate any private business. Used this form only if you answer [Yes] to questions 6 & 7 in Form 1 or questions 2 & 3 in Form 1A.
10. If you own any private business before you become a leader, you should also complete and file this Form LC: 2 together with your completed Forms 1 and 1A. You must seek the Commission's approval even if your registered business may not be operational at the time of declaration.
11. As a leader, you are required to complete and file this form even where the business is not own by you directly but by your spouse or any of your children under 18 years. Remember that your duty to disclose your business interests covers those of your spouse and children.

### Form LC: 3

12. Form LC: 3 is an application form for you to seek the Commission's prior permission if a private business owned by yourself, spouse or child wants to seek, accept or enter into a contract with the SIG or its agency.
13. This Form 3 will be issued to you on request. You are required to complete and file this form even if the private business is not owned by you but by your spouse or children. It is your duty as a leader to seek permission from the Commission on their behalf. Their interests are deemed to be yours.
14. The forms are administered and considered in this order: First, all leaders must file forms 1 and 1A. Second, a leader who owns a private business must file completed Form 2. Third, a leader whose business wants to seek, accept or hold a contract with the SIG or its agency must file completed Form 3.
15. So the Commission cannot consider a leader's application in Form 2 if that leader did not declare that business. Likewise, the Commission cannot consider an application in Form 3 if the leader did not declare that business and the Commission did not grant approval for the leader to own and or operate the business.

### **PART 2: - Answering Questions In Form LC: 1 and 1A**

16. Check to see that Form LC: 1 has 10 questions. Question 8 has subset of four questions (a) to (d). Form LC: 1A has 5 questions. Question 4 also has subset of four questions (a) to (d).

17. **Q.1** – In **Form LC: 1**, you put the names that you use in your current position. If you are also known by other names formally, it is advisable that you put those other names in bracket after the surname and first name respectively. In **Form LC: 1A**, you put the names of your spouse or child under 18 years. One form for spouse and each child.
18. **Q.2** – The home address is your permanent home address. Your official address is your work address. If you are a public officer, you put the name and postal address of your ministry. For some category of leaders, the official address is pre-filled in their Form LC: 1.
19. **Q.3** – Position refers to your substantive position. Elected leaders may find that the name of their position is pre-filled in their Form LC: 1.
20. **Q.4** – There are only four options provided. If you are not legally married or legally divorced, your status is married or single respectively.
21. **Q.5** – If your answer is [No], you must write the year in the next column.
22. **Q.6** – If your answer is [Yes], then fill in all the columns. For annual remuneration, give a realistic estimate. We encourage you to make notations in the columns for clarity.
23. **Q.7** – If your answer is [Yes], fill in all the columns.
24. **Q.8 (a) to (d)** – This question asks you to disclose Income, Gifts, Assets and Business Transactions.

### **Income**

8(a) – For the column under Income, state the type of income and put the amount beside it in parentheses. Make notations in the columns for clarity. For example:-

<b>Income</b>	<b>Period</b>	<b>Source</b>
1. Salary (\$2,000 f/n)	Since my appointment	1. SIG
2. Rental (\$3,000 per/month)	2013-present	2. Solomon Kitano Mendana
3. Dividend (about \$10,000 p/a)	2012 – present	3. Ran Luz company
4. Sitting allowance (approx. \$8,000 p/a)	2015 – present	4. SIG

### **Gifts**

8(b) – The difference between **gift** and **asset** is that the former is acquired by donation whilst the later is acquired by purchase. You will note that though the items in the second column below are assets, they are classified as gifts because of the explanation in fourth column – their manner of acquisition. For example:-

<b>Date</b>	<b>Nature of Gift</b>	<b>From whom</b>	<b>Nature of donors/business</b>
2015	1 x Prado (MA1878) worth \$30,000	John Blog	John is an expatriate friend. He gave this to me when he returned to his country
2016	1 x Lap top computer worth \$8,000 each	Jenny Sarah	Jenny is a work mate. She gave this to me as birthday present.
2017	1 x 25 hp OMB worth \$15,000	Howard Liu	Howard is my uncle who owns Islands Fibreglass. He gave the OMB for my personal use.

### **Assets**

8(c) – Declare assets that you have both in the country and or overseas. The LCC Act defines asset to include ‘...any debt or pecuniary obligation owed to you by any person, company, corporation or unincorporated association.’ Insert the date you acquire the asset, describe the asset, provide the names of the person or entity from whom you acquire the assets and state its value. For example:-

<b>Date</b>	<b>Nature of assets</b>	<b>From whom acquired</b>	<b>Value</b>
2016	Registered Land (PN 01-024-788)	Peter Jones	SBD 40,000 (undeveloped)
2015	15 seater bus (Reg #: MA2534)	Ela Motors	SBD 120,000
2015	Second hand 5 door Rav 4 (Reg.MA2251)	Pick n Buy online	SBD 35,000

### **Business transactions**

8(d) – This question asks for details of business transactions that you enter into in your personal capacity. Please note that this does not require you to disclose the transactions of your private business if you have one. The information we expect are things like Bank loans etc... Your answer to this question should also inform the Commission about how you acquire assets in 8(c) which could not have been bought with your incomes in 8(a). For example:

<b>Date</b>	<b>Amount</b>	<b>With whom transacted</b>	<b>Details of transaction</b>
2015	\$160,000	BSP	I used this loan to buy a 15 seater bus from Ela Motors and a 5 door Rav 4 from ‘Pick n Buy’ online.
2016	\$50,000	POB	Loan to purchase land from Peter Jones
2016	\$60,000	ANZ	I used part of this loan for my son’s bride price & related expenses.

**Q.9** – This question asks you to sign the Forms and have someone to counter sign as witness. Sign both Form LC: 1 and 1A. The witness can be any adult including your spouse or work colleague. The witness must also write his names under his signature.

### **SECTION 3: - Answers To Some Frequently Asked Questions**

#### **Who is a leader?**

You are a leader if you are:-

25. The Governor General, (2) a Member of the National Parliament, (3) The Speaker of Parliament, (4) a Member of any commission established by the Constitution, (5) a Public officer, (6) an Officer of provincial government or government of Honiara City, (7) a Member of provincial assembly or of the Honiara City, (8) an Officer of statutory corporation or government agency, (9) an Ambassador, High Commissioner, principle representative of SI overseas or accredited to any international organisations, (10) an Appointed member of any statutory authority or other body established by an Act or Provincial Ordinance or (11) a person whose emolument is paid out of the consolidated fund.

#### **Am I still required to file statements of declaration even if I own no private business?**

26. The answer is **Yes**. It is misconduct if you fail to file declarations with the Commission. It is your responses to the questions in your forms that will inform the Commission whether you have any private businesses or declarable interests at all. If you acquire no assets, receive no gifts or do not obtain any loans for the period in question, say so by writing 'NIL' or 'N/A' in the relevant columns.

#### **Why should I declare my private interests at all?**

27. Because you are a leader. This is one of your statutory duties. As a holder of public office, you will be making important decisions that may be at variance with your private interests. The LCC can provide you with guidance only if you systematically disclose those private interests. Besides, since you choose to hold a public office, you must be transparent to the LCC.

#### **When should I submit declarations to LCC?**

28. If it is your first time to make a declaration, you should do so within three months after you became a leader. The period to be covered by your first declaration is the three months preceding the date you became a leader. For example, if you became a leader on 24 June 2010 and then make your declaration on 30 July 2010, the period to be covered by your declaration is from 24 April 2010 to 30 July 2010.
29. The Commission understands that some leaders did not make their first declaration within the three months after becoming a leader. If you are in that

situation, you must backdate your declarations to cover the overdue period. For example, if you became a leader in March 2000 and make your first declaration in April 2015, your first declaration should cover the period from January 2000 to April 2015.

30. If it is not your first time, your subsequent declaration should be filed within a period not exceeding two years from the date of your last submission. The Commission should notify you about when to file your next statements of declaration. The Commission sets different due dates for different categories of leaders.
31. Someone may be a leader for sometimes but ceased to be a leader and then became leader again. If that applies to you, your declaration should cover the period from the time you last submit your declarations to the present. For example, Mr. X was a public officer in 2010 when he last filed his statement. He resigned. He contested the National General Election and was elected in 2014. In this case, Mr. X's declaration as MP in 2014 should be backdated to cover the period since his last statement in 2010.

### Who should be covered by my declaration?

32. The Leadership Code obliges you to file separate statements to declare financial affairs for yourself, spouse and children under 18 years. 'Children' include any child that you adopt either legally or in custom. When completing **Form LC: 1A** for your child, it is advisable to indicate his/her age in brackets after the first name. For example;

1. Surname: Kwasi	First Name: John (12 yrs)
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33. If you submit statement of declaration only for yourself, your declaration is incomplete and you can be penalised for failing to fully comply with the Code. If it is a material omission, you may be charged for providing false or misleading information to the Commission.

### What declaration Form is to be used and for whom?

34. There are two declaration Forms for you to fill up. Form LC: 1 is for yourself and the information supplied in it is about you. Form LC: 1A is for your spouse and for each of your children under 18 years.
35. This Form LC: 1A should bear the names of your spouse and the respective children. For example, if you have three children under 18 years, you must complete 4 separate Form LC: 1A: one for your spouse and three Forms for your 3 children.

### How should I declare my interests if my spouse is also leader?

36. Both of you must file separate statements of declaration. The husband should complete Form LC: 1 for himself and 1A for his wife and children. Similarly, the

wife should complete Form LC: 1 for herself and 1A for the husband and children.

### **What must I do if my declarable interests change after filing my statement?**

37. If you, your spouse or children acquire any new assets or receive any gifts from third parties after you have submitted your declaration Forms, you must update your declaration by informing the Commission in writing.

38. You do not need to complete a new Form LC: 1 or Form LC: 1A. Simply write a letter addressed to the Chairman. In it, state the details of the assets acquired or gift received, their worth and from whom.

### **Does the Leadership Code stops a leader from owning or running a private business?**

39. No, the Code does not outright stop you, your spouse or children from engaging in any private legitimate business where your involvement does not breach or likely to breach your duties under the Leadership Code. However, three specific things that the Code requires of you are these:

#### Declaration of Business Interests

40. First, you must fully and correctly declare business interests for yourself, spouse or children under 18 years when you become a leader or during the period you remain a leader. You do that by filling up and submitting to the Commission Form LC: 1 and 1A. This is just one requirement under the Code.

#### Director & or Shareholders

41. Second, if you want to be a Director or Shareholder in any company, you must seek prior approval from the Commission. The prescribed Form which you are required to complete is Form **LC: 2**. Upon receiving your completed Form, the Commission will assess your application for conflict or potential conflict of interests and either refuse or grant you approval with or without conditions.

42. Note that this requirement applies to you only if you want to run or own a business after you became a leader.

43. If you have already owned or run a business before becoming a leader, you need to fully and correctly declare your business interests. Upon receiving your statements of declarations (Form 1 & 1A), the Commission should advise you, which includes requesting you to complete Form LC: 2.

44. Do understand that it is still misconduct if you hold directorship in a business entity even if you are not paid or received any fees.

#### Interests in Government Contracts

45. Third, if a business in which you, your spouse or child have a controlling interest seeks, accepts or holds a contract with the Solomon Islands Government or its agency, you must seek prior permission from the Commission. The relevant form to complete is **Form LC: 3**.
46. Your application gives the Commission opportunity to assess and advise you whether or not the transaction your business will enter into puts you in a conflict of interest situation or in any way brings or likely to bring your integrity into question. Take note that your judgement about yourself may not be the same as the Commission's. Thus, it is advisable to seek advice from the Commission.

### **How should I submit my completed statements of declaration to LCC?**

47. After you fill up your Forms, you can either hand deliver them to our office at the above address, send them by post or e-mail the scanned copies to us.
48. If you send your Forms by e-mail, you do not need to send us the original hard copies. Keep them for your reference. For those in the provinces, it is advisable that you send your completed Forms by e-mail. It is quicker and reliable that way.
49. Do not pass on your completed Forms through someone unless you are very sure that that person will deliver them to our office. We have experienced that some leaders gave their completed Forms through a third person who failed to deliver them to the Commission.
50. Do understand that your responsibilities and duties under the Leadership Code are not delegable. Therefore, it is your responsibility to ensure your Forms reached the Commission on time.
51. If you want the Commission to acknowledge receipt of your completed Forms immediately, please send scanned copies via the e-mail.
52. Please send us your completed Forms under cover of the standard **Return Cover Letter**. Insert the date, your current contact details, names and sign at the bottom. The Return Cover letter serves as a checklist to ensure your correct compliance. With your contacts, we can contact you for the purpose of advice or queries about the content of your statements of declaration.
53. If you still have any further questions or queries after reading this guideline, please do not hesitate to contact us. For advice on how to complete the forms, contact the Director Legal Services, Chief Investigator or Chief Assessor on 24860 or 27561 or e-mail the Chairman at [leadership@lcc.gov.sb](mailto:leadership@lcc.gov.sb).
54. Contact us if your need extra copies of the Forms Or you can download them from this link: <https://solomons.gov.sb/the-leadership-code-commission/>

Solomon Kalu  
**Chairman**