



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

FINANCIAL CONFLICTS OF INTEREST

The employees of the Board of Governors of the Federal Reserve System and their spouses and minor children are prohibited from owning any interest in depository institutions and their affiliates, and in mutual funds that concentrate in the financial services sector. Waivers of this prohibition may be obtained in certain circumstances.

Federal law prohibits employees from working on government matters that could affect their financial interests. As a result, certain other holdings may present a conflict of interest with an employee's Board duties. For example: if you are responsible for contracts in the data processing area, you may be required to sell stock you own in a software company or shares in a mutual fund that concentrates in the technology sector.

What should prospective employees do if they have questions about their financial interests?

Contact a Recruitment Specialist in the Management Division to determine if your particular stock ownership could be prohibited by the Board's policy. If you have any questions, please contact the Recruitment Department at (202) 452-3880.

Even if the policy applies, **do not, under any circumstances, sell the stock prior to beginning employment at the Board of Governors.** Wait until after your start date and speak with a representative from the Board's Ethics Office in the Legal Division. A waiver may be available allowing you to keep the stock. If divestiture is required, you may be able to obtain special tax treatment of any resulting capital gains. However, such tax treatment may be available only if certain documentation (obtained from the Board) is completed *before* the stock is sold.

Staffing Section
Management Division

Financial Interest Statement

Board of Governors of the
Federal Reserve System

As an employee of the Board of Governors of the Federal Reserve System, you are subject to various ethics rules governing your conduct. These rules in general seek to ensure that you avoid any potential conflicts of interest, and that you do not use your position with the Board for private gain.

The Board's rules prohibit employees, their spouses and their minor children from owning any interest in depository institutions and their affiliates and in mutual funds that concentrate in the financial services sector. Waivers of this prohibition may be obtained in certain circumstances. Please state below whether you or your spouse or minor child has any such interest. If you check "Yes", the Board's Ethics Office will get in touch with you to discuss possible options such as a waiver or divestiture of the interest.

You should also be aware that certain other financial holdings could present a conflict of interest with your official duties. For example, if you work in the data processing area, you may be required to sell stock you own in a software company or shares in a mutual fund that concentrates in the technology sector. If divestiture is required, you may be able to obtain special tax treatment of any resulting capital gains. However, such tax treatment may be available *only* if certain documentation is completed *before* the stock is sold.

New employees must complete this statement. Upon completion, send it to the Board's Ethics Coordinator, Sharon Morton (ext. 2457), Mail Stop 4, *within one week after your date of employment*.

Yes. I, or my spouse or minor child, have an interest in a depository institution, an affiliate of a depository institution, or a mutual fund that concentrates in the financial services sector.

Name of Institution

Owner of stock and relationship to employee

No. I, or my spouse or minor child, do not have an interest in a depository institution, an affiliate of a depository institution, or a mutual fund that concentrates in the financial services sector.

Print Name

Date

Signature