

PART 8401—SUPPLEMENTAL STANDARDS OF ETHICAL CONDUCT FOR EMPLOYEES OF THE FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

Sec.

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AUTHORITY: 5 U.S.C. 7301; 5 U.S.C. App. (Ethics in Government Act of 1978); E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215, as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1990 Comp. p. 306; 5 CFR 2635.105, 2635.403(a), 2635.802(a), 2635.803.

SOURCE: 61 FR 39871, July 31, 1996, unless otherwise noted.

§ 8401.101 General.

In accordance with 5 CFR 2635.105, the regulations in this part apply to the employees of the Federal Mine Safety and Health Review Commission (Commission) and supplement the Standards of Ethical Conduct for Employees of the Executive Branch at 5 CFR part 2635. Commission employees also are subject to the executive branch financial disclosure regulations at 5 CFR part 2634.

§ 8401.102 Prohibited financial interests.

(a) *Prohibition.* Except as provided in this section, no employee (other than a special Government employee), or spouse or minor child of such an employee, shall have a financial interest, including compensated employment or indebtedness, in any company or other person engaged in mining activities subject to the Federal Mine Safety and Health Act of 1977 (Federal Mine Safety and Health Act), 30 U.S.C. 801 *et seq.*

(b) *Exceptions.* (1) This section does not prohibit an employee, or the spouse or minor child of an employee, from investing in a publicly traded or publicly available investment fund which, in its prospectus, does not indicate the objective or practice of concentrating its investments in the securities of any company or other person engaged in mining activities subject to the Federal Mine Safety and Health Act, provided that the employee neither:

(i) Exercises control over the financial interests held in the fund; nor

(ii) Has the ability to exercise control over the financial interests held in the fund.

(2)(i) Unless divestiture is required by paragraph (c) of this section, this section does not prohibit an employee, or the spouse or minor child of an employee, from owning or controlling securities of any company or other person engaged in mining activities subject to the Federal Mine Safety and Health Act, whenever:

(A) Ownership or control was acquired prior to the employee's commencement of employment, through a change in marital status, or through circumstances beyond the employee's control and without the appearance of attempting to circumvent the prohibitions in this section, such as acquisition by inheritance, gift, or merger, acquisition or other change in corporate ownership, provided that: (1) The employee makes full, written disclosure to the designated agency ethics official within 30 days after the security is acquired or the employment is commenced; and

(2) The employee is disqualified from participating in any decision, examination, audit, or other particular matter having a direct and predictable effect on such company or other person, in which the employee holds a direct or indirect interest.

(B) The securities result from a stock split, stock dividend or the exercise of preemptive rights arising out of securities permitted by paragraph (b)(2)(i)(A) of this section. This paragraph does not permit the holding of stocks purchased through voluntary reinvestment of cash dividends.

(ii) For purposes of this section, the term "securities" includes all interests in debt or equity instruments. The term includes, without limitation, secured and unsecured bonds, debentures, notes, securitized assets and commercial paper, as well as all types of preferred and common stock. The term encompasses both current and contingent ownership interests, including any beneficial or legal interest derived from a trust. It extends to any right to acquire or dispose of any long or short