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FIFTH EVALUATION ROUND

Preventing corruption and promoting integrity in
central governments (top executive functions) and
law enforcement agencies

COMPLIANCE REPORT

ICELAND



Adopted by GRECO at its 86th Plenary Meeting
(Strasbourg, 26-29 October 2020)



Group of States against Corruption
Groupe d'États contre la corruption

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

I. INTRODUCTION

1. GRECO's Fifth Evaluation Round deals with "Preventing corruption and promoting integrity in central governments (top executive functions, PTEF) and law enforcement agencies (LEA)".

2. This Compliance Report assesses the measures taken by the authorities of Iceland to implement the recommendations issued in the Fifth Round Evaluation Report on Iceland which was adopted at GRECO's 79th Plenary Meeting (23 March 2018) and made public on 12 April 2018, following authorisation by Iceland ([GRECOEval5Rep\(2017\)4](#)).

3. As required by GRECO's Rules of Procedure¹, the authorities of Iceland submitted a Situation Report on measures taken to implement the recommendations contained in the Evaluation Report. This report, received on 20 January 2020, and the subsequent update of 31 August 2020 served as a basis for the Compliance Report.

4. GRECO selected Denmark (with respect to top executive functions in central governments) and Latvia (with respect to law enforcement agencies) to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Anders Dyrvig RECHENDORFF, on behalf of Denmark, and Ms Diāna KAZINA, on behalf of Latvia. They were assisted by GRECO's Secretariat in drawing up the Compliance Report.

5. The Compliance Report examines the implementation of each individual recommendation contained in the Evaluation Report and establishes an overall appraisal of the level of the member's compliance with these recommendations. The implementation of any pending recommendation (partially or not implemented) will be assessed on the basis of a further Situation Report to be submitted by the authorities 18 months after the adoption of the present Compliance Report.

II. ANALYSIS

6. GRECO addressed 18 recommendations to Iceland in its Evaluation Report. Compliance with these recommendations is dealt with below.

Corruption prevention and promotion of integrity in respect of central governments (top executive functions)

Recommendation i.

7. *GRECO recommended developing a strategy to improve integrity and the management of conflicts of interest with respect to persons entrusted with top executive functions, including through responsive advisory, monitoring and compliance mechanisms.*

8. The authorities of Iceland report that on 5 January 2018 the Prime Minister created a high-level working group to identify factors influencing trust in politics and the government. In September 2018 the Working group issued a report containing 25 recommendations for

¹ The Compliance procedure of GRECO's Fifth Evaluation Round is governed by its Rules of Procedure, as amended: Rule 31 revised bis and Rule 32 revised bis.

improvement, many of which further elaborate on GRECO recommendations. On 20 September 2018 the Prime Minister presented the report in Parliament and a special parliamentary session followed. The authorities consider the report of the Working group to be an overarching and active strategic integrity framework in this area. Moreover, in December 2018 the authorities concluded an agreement with the Centre for Ethics of the University of Iceland to assist with the implementation and follow-up to the Working Group's recommendations. In December 2019, the Centre for Ethics of the University of Iceland conducted assessment of the implementation of the Working group's recommendations. The assessment was published in a joint report from the Centre and the Prime Minister's Office.

9. As follow up to the Working group's report, the Government has approved a bill on measures to deal with conflicts of interest of persons with top executive functions (PTEFs). Consequently, on 9 June 2020, Parliament adopted the Act n°64/2020 on Conflicts of Interest in the Government Offices of Iceland, which will enter into force on 1 January 2021. The act covers Ministers, Permanent Secretaries and ministerial advisers. It concerns contacts with lobbyists, outside activities, asset declarations, liabilities and gifts as well as post-employment restrictions. The act foresees making the Prime Minister's Office responsible for monitoring and advice.

10. GRECO takes note of the information provided by the authorities and welcomes the Working group's report on trust in politics and the government, analysing various conflicts of interest aspects with respect to PTEFs and formulating specific recommendations for improvement. It is also positive that Parliament has adopted a law on conflicts of interest of PTEFs - Ministers, Permanent Secretaries and ministerial advisers, covering the prevention and management of conflicts of interest, such as contacts with lobbyists, outside activities, asset declarations, liabilities and gifts as well as some post-employment restrictions. This law also places advisory and monitoring functions with the Prime Minister's Office. GRECO appreciates the holistic approach taken by the authorities and accepts that the Report of the Working group and its follow-up provide a strategic basis for improving integrity of persons entrusted with top executive functions.

11. GRECO concludes that recommendation i has been implemented satisfactorily.

Recommendation ii.

12. *GRECO recommended that (i) the codes of conduct for persons entrusted with top executive functions be harmonised or consolidated as the case may be, and complemented with appropriate guidance, including explanatory comments and concrete examples, as well as with confidential counselling and (ii) a credible mechanism of supervision and sanctions be put in place.*

13. The authorities of Iceland report that the existing codes of conduct that apply to PTEFs have remained unchanged since the Evaluation Report. The authorities are not convinced of the need for a full-scale revision of the codes. However, they indicate that the codes function the best when they are subject to regular and dynamic review. This year the Prime Minister's Office is planning to conduct, in cooperation with the University of Iceland Centre for Ethics, a survey to evaluate the need for changes in the texts of the codes as well as a collection of examples of ethical dilemmas in the public administration. The authorities recall that guidance to PTEFs with practical examples has been provided in the framework of bi-annual training for

new staff in the Government Offices. In addition, the Prime Minister's Office has translated and made available the Danish manual "Seven Main Duties for Staff in Central Administration – Kodex VII", containing guidance with ethical examples and dilemmas.

14. The authorities underline that in Iceland the codes of conduct provide guidelines for appropriate conduct in the public service. They do not intend to move to a "culture of compliance" by introducing formal sanctions for specific violations. The authorities explain that most serious deviations from the codes would constitute offences punishable under the Icelandic Penal Code (Chapter XIV). The Government Employees Act n°70/1996 provides for sanctions such as reprimand or dismissal. Moreover, Ministers can be impeached for their acts in office in accordance with the Constitution (Article 14) and the Act n°4/1963 on the Liability of Ministers of the Government. The Prime Minister's Working Group supports this position of the Government and does not recommend the introduction of further sanctions. The Working Group's report emphasises that scrutiny of adherence to the codes of conduct is carried out by co-workers, the media and the public. The Working Group believes that it is more important that major breaches of the codes lead to an apology or resignation, rather than to formal sanctions.

15. The authorities specify that currently all public employees, including PTEFs, have the possibility to seek confidential counselling on matters related to codes of conduct. Based on the Information Act, the Icelandic media outlet Kjarninn obtained the data from the Prime Minister's office showing that from 2013 to February 2018 six ministers had sought advice on the interpretation of the Ministerial Code of Conduct. This information was made public. The authorities add that, on 11 June 2019 Parliament adopted a government bill with amendments to the Information Act which provide legally for confidential counselling from the Prime Minister's Office on matters related to codes of conduct.

16. GRECO takes note of the information provided by the authorities. With respect to part (i) of the recommendation, GRECO notes that no measures have been taken to tackle discrepancies between the four codes of conduct which apply to PTEFs to clarify the applicable ethical standards and to make them practical enough to be used in daily practice. Regarding part (ii) of the recommendation, the authorities consider the existing sanctions contained in law sufficient and indicate that scrutiny of adherence to the codes of conduct is carried out by co-workers, the media and the public. They affirm that the PTEFs, as all public employees, receive confidential counselling. While it appears that the confidential counselling, guidance and monitoring role of the Prime Minister's Office on integrity related matters is now provided for by the newly adopted legislation, the actual progress of the new mechanism of supervision will have to be re-evaluated at a later stage when the legislation is enforced. For now, GRECO considers that the second part of the recommendation aimed at improving the effectiveness of the ethical standards in practice has been partly implemented.

17. GRECO concludes that recommendation ii has been partly implemented.

Recommendation iii.

18. *GRECO recommended that efficient internal mechanisms to promote and raise awareness of integrity matters among persons entrusted with top executive functions be established and properly implemented, including training at regular intervals.*

19. The authorities of Iceland report that in the framework of their agreement with the University of Iceland, work is under way to prepare training materials on ethical standards, conflicts of interest and other integrity-related matters, containing practical examples. As already mentioned above, the Prime Minister's Office has translated and made available the Danish manual "Seven Main Duties for Staff in Central Administration – Kodex VII", containing guidance with ethical examples and dilemmas. The authorities are currently considering a possibility to translate and adapt interactive study materials for civil servants from other countries, in particular from Finland and Estonia. The Prime Minister's Office is in charge of this project and is planning to complete in 2020/2021.

20. GRECO takes note of the information provided by the authorities. It notes some work in progress in respect of training and awareness raising, but in the absence of any tangible results, this recommendation has not yet been even partly implemented.

21. GRECO concludes that recommendation iii has not been implemented.

Recommendation iv.

22. *GRECO recommended introducing rules on how persons entrusted with top executive functions engage in contacts with lobbyists and other third parties who seek to influence governmental legislative and other work.*

23. The authorities of Iceland report that the Prime Minister's Working Group dealt with this recommendation and suggested ensuring transparency of contacts with lobbyists and introducing a requirement for lobbyists to register. The authorities further specify that the Act on measures to deal with conflicts of interest of PTEFs contains provisions regulating contacts with lobbyists. It indicates that the information of PTEFs' contacts with lobbyists is to be logged and that information on private parties involved in drafting legislation should be made public. The lobbyists are required to register. The explanatory notes to the Act further detail the requirements for registration. The Act specifies that the Prime Minister's Office keeps a log of the registrations and publishes them on the website of the Government Offices of Iceland (Article 7).

24. GRECO takes note of the information provided by the authorities. GRECO welcomes the Act on measures to deal with conflicts of interest of PTEFs which contains some provisions on lobbying. While the Act deals with transparency in respect of lobbying, and contains requirements for lobbyists, there appears to be a lack of guidance for public officials specifically on their contacts with third parties and lobbyists (ex. responding to communications from lobbyists, reporting violations of rules, disclosing conflicts of interest, preserving the confidentiality of data).

25. GRECO concludes that recommendation iv has been partly implemented.

Recommendation v.

26. *GRECO recommended reviewing the rules for persons entrusted with top executive functions engaging in outside activities and to spell out in greater detail the activities which can be exercised and those which are to be excluded.*

27. The authorities of Iceland report that the Act on measures to deal with conflicts of interest of PTEFs (Article 3) specifies that persons with top executive functions and ministerial advisers are considered as holding full-time jobs. The Prime Minister grants authorisation for outside activities of a humanitarian, academic, scientific or artistic nature or any other sporadic work that does not affect functions in the Government Offices and for which remuneration is moderate. Requests are processed within 30 days. The authorities specify that these provisions are partly inspired by the Ministerial Code of Conduct, but they extend to cover other PTEFs and ministerial advisers. The Act entrusts the Prime Minister's Office with keeping a log of permitted outside activities and with publishing them on the website of the Government Offices of Iceland.

28. GRECO takes note of the information provided by the authorities. GRECO appreciates that the provisions of the Act on measures to deal with conflicts of interest of PTEFs largely comply with requirements of the present recommendation.

29. GRECO concludes that recommendation v has been implemented satisfactorily.

Recommendation vi.

30. *GRECO recommended establishing a more robust set of rules on gifts and other benefits for persons entrusted with top executive functions, which would provide clear reporting lines and the publicity of information, and appropriate guidance to ensure all forms of benefits are adequately dealt with.*

31. The authorities of Iceland refer once again to the Act on measures to deal with conflicts of interest of PTEFs under which (Article 2), persons with top executive functions and ministerial advisers are required to report all gifts and other benefits received in relation to their work of a total value exceeding ISK 50 000 (approximately €331) per year. The Prime Minister keeps a log of gifts registered and publishes it on the website of the Government Offices of Iceland. The authorities recall that PTEFs receive confidential counselling and training covering the issue of gifts and benefits.

32. GRECO takes note of the information provided by the authorities, which goes in the right direction, even though clear guidance would still be needed. While fixing a threshold for reporting is helpful, the current one of a total value of approx. €331 per year appears still relatively high. GRECO is pleased to note that the authorities consider lowering this threshold in the future.

33. GRECO concludes that recommendation vi has been partly implemented.

Recommendation vii.

34. *GRECO recommended that rules be introduced to deal with employment after the termination of functions of persons entrusted with top executive functions.*

35. The authorities of Iceland refer to the Act on Conflicts of Interest in the Government Offices. In particular, Article 5, contains provisions dealing with employment after the termination of top executive functions. It foresees, for example, that once a top executive or ministerial adviser leave the Government Offices of Iceland, s/he is not allowed to use

information they had access to while in public service, for their own benefit or the benefit of other persons. Moreover, PTEFs are not allowed to work as lobbyists during a period of six months after they leave the government service. The Prime Minister may grant exceptions to this rule if there would be little or no risk of conflict of interest, for example, if the new activity is different in nature to the public office job. Requests for exceptions are to be processed within 30 days. In case of refusal, the applicant is entitled to receive his/her public service salary for six months or until s/he accepts another job. If the salary of the new job is lower than the public function remuneration, the former PTEF is entitled to the difference until the end of the six-month period. The Prime Minister's Office keeps a log of exceptions granted and publishes them on the website of the Government Offices of Iceland.

36. GRECO notes that the Act on Conflicts of Interest in the Government Offices was adopted in June 2020. This new legislation contains various measures to prevent and prohibit top executive officials from entering into conflicts of interest in post-employment situations. Inter alia, it prohibits the use of information obtained while in public office, for the benefit of the former public official or other persons. Furthermore, the Act contains a cooling off period of six months with possible exceptions granted by the Prime Minister for doing lobbying activities. GRECO takes the view that these rules appear weak, in particular as regards the scope of the cooling off period as it only regulates post-employment in respect to lobbying. Moreover, the period of six months appears short to be an effective tool in this respect.

37. That said, GRECO also notes that the progress achieved - although limited - is in line with the wording of the recommendation in a strict sense as new rules have been introduced in relation to employment after the termination of functions of persons entrusted with top executive functions, an area where no rules at all existed in the past. While the recommendation has been complied with, the authorities may wish to keep GRECO informed of further developments in this area.

38. GRECO concludes that recommendation vii has been dealt with in a satisfactory manner.

Recommendation viii.

39. *GRECO recommended that the existing registration system be further developed for persons entrusted with top executive functions, in particular (i) by including quantitative data of the financial assets/contributions received by such persons and by providing details of financial liabilities; and (ii) by considering widening the scope of asset declarations to also include information on spouses and dependent family members (it being understood that such information would not necessarily need to be made public).*

40. The authorities of Iceland report that on 8 May 2018 the Government decided to introduce a system of optional registration of financial interests by permanent secretaries and ministerial advisers in the Government Offices of Iceland. The form to be completed and submitted by PTEFs was developed by the Prime Minister's Office. Even though initially the declarations were not intended to be public, on the initiative of permanent secretaries and ministerial advisers, they have been published on the website of the Government Offices of Iceland. It was decided to revise the financial disclosure system, considering relevant GRECO recommendations. Consequently, specific provisions have been included in the Act on measures to deal with conflicts of interest of PTEFs adopted by Parliament in June 2020. It provides that "persons with top executive functions and ministerial advisers are required to

register their assets, debts, liabilities and other guarantees, both domestic and international, and the same information on their spouses and dependent children. All significant changes shall be reported immediately” (Article 2). The registration of debts and liabilities incurred for the purchase of private housing or vehicles, debt and liabilities in relation with student loans, debt and liabilities to commercial banks, saving banks and other lending institutions below ISK 5 million (approximately €33 000) and gifts or benefits valued under ISK 50 000 per year (approximately €331) is not required. The Prime Minister’s Office keeps a log of declarations and publishes them on the website of the Government Offices of Iceland. However, the declarations by ministerial advisers and spouses and dependent children of PTEFs would not be public, to respect the right to privacy.

41. GRECO takes note of the information provided by the authorities. GRECO notes that in addition to the obligation on ministers to declare some financial and other interests, an optional requirement to declare financial interests has been introduced for permanent secretaries and ministerial advisers. Apparently, such declarations have been made public. Moreover, GRECO appreciates that the above-mentioned Act on measures to deal with conflicts of interest of PTEFs provides for a requirement on persons with top executive functions and ministerial advisers to disclose their assets, debts, liabilities and other guarantees, both domestic and international (with certain exceptions). Such disclosure would cover spouses and dependent children. Overall, these developments go in the right direction. Albeit limited, the existing new optional requirement of financial disclosure by permanent secretaries and ministerial advisers is a tangible improvement.

42. GRECO concludes that recommendation viii has been implemented satisfactorily.

Recommendation ix.

43. *GRECO recommended strengthening the credibility of the registration system for declarations of financial interests in respect of persons exercising top executive functions, by ensuring greater adherence to the rules through a system of monitoring, providing adequate advice and guidance, and implementing a mechanism of sanction when requirements are not observed.*

44. The authorities of Iceland report that the Act on measures to deal with conflicts of interest of PTEFs entrusts the Prime Minister with the role to provide guidance and monitor the registration of assets and gifts, lobbyists, outside activities and employment after the termination of functions. The Prime Minister can on his/her own initiative examine related suspected violations and inform the relevant ministries (Article 6). Moreover, the Act makes the Prime Minister responsible for keeping a log of asset declarations, gifts and other benefits, and of lobbyists. The logs are to be published on the website of the Government Services of Iceland (Article 7).

45. The authorities indicate that they do not intend to introduce direct sanctions for violations of registration requirements. They consider the existing sanctions provided for by labour law and/or Government Employees Act n°70/1996 sufficient. They include reprimand (for minor violations) and dismissal (for serious or repeated violations). The Act on measures to deal with conflicts of interest of PTEFs foresees that violations and suspected violations are to be reported to the relevant ministry, which ultimately decides on the sanctions to be applied. Moreover, serious violations could lead to a sanction under the General Penal Code

n°19/1940, Chapter XIV on offences in public office. Finally, the authorities indicate that major violations of the rules will also lead to political consequences and to apologies and resignation. Ministers can be impeached for their acts in office in accordance with the Constitution (Article 14) and the Act n°4/1963 on the Liability of Ministers of the Government.

46. GRECO takes note of the information provided by the authorities. It appreciates that the Act on measures to deal with conflicts of interest of PTEFs provides for a role of the Prime Minister in providing guidance and monitoring the registration of assets and gifts, lobbyists, outside activities and employment after the termination of functions. The Prime Minister is now able to examine violations on his/her own initiative and inform the relevant ministries of any violations. No changes to the sanctions system are foreseen. While the Act introduces some form of soft monitoring, the progress with actual adherence to the rules will need to be assessed when the system is fully operational.

47. GRECO concludes that recommendation ix has been partly implemented.

Corruption prevention and promotion of integrity in respect of law enforcement agencies

Recommendation x.

48. *GRECO recommended ensuring that the resources allocated to the Icelandic police are sufficient enough to carry out their work effectively, particularly for the actual implementation of integrity-related policies.*

49. The authorities of Iceland report that in May 2019, the Minister of Justice published a national policing strategy (PPD) for 2019-2023. In addition to containing general policy objectives, the PPD outlines concrete goals in the sphere of law enforcement. The authorities specify that the future allocation of resources will depend on the achievement of these goals, measured against specific indicators. Overall, PPD aims at ensuring a more transparent and integrity-based allocation of resources. The National Commissioner of the Icelandic Police (NCIP) is responsible for the implementation of the PPD.

50. GRECO takes note of the information provided by the authorities. GRECO notes the official national policing strategy (PPD) for 2019-2023 which is expected to contribute in the future to a more efficient and integrity-based allocation of resources to the Police. However, tangible results have not yet been reported.

51. GRECO concludes that recommendation x has not been implemented.

Recommendation xi.

52. *GRECO recommended that (i) the Codes of Conduct for the Police and the Icelandic Coast Guard be complemented to address more broadly conflicts of interest and political activities, and so as to offer practical guidance through explanatory comments and practical examples on all corruption-related subjects, as well as confidential counselling and (ii) a credible mechanism of supervision and sanctions be clearly provided for.*

53. The authorities of Iceland report that the Code of Conduct for the Police has not been amended since the adoption of the Evaluation Report. The NCIP is responsible for

implementation of the Code of Conduct. The Ministry of Justice has sent a request to the NCIP to revise the Code of Conduct in accordance with the recommendation. The authorities add that amendments to the Codes of Conduct for the Police and the Icelandic Coast Guard are currently being processed. The updated Codes are expected to be published by the end of 2020.

54. GRECO notes that no tangible progress has been reported in respect of this recommendation.

55. GRECO concludes that recommendation xi has not been implemented.

Recommendation xii.

56. *GRECO recommended that regular training programmes and awareness raising measures on integrity and professional ethics be developed (covering conflicts of interest and other corruption prevention-related matters) for law enforcement bodies, taking into consideration their specificity, the variety of duties and their vulnerabilities.*

57. The authorities of Iceland report that the NCIP's Education Centre has made significant changes to its curriculum in order to comply with the recommendation. New integrity training components on policing and codes of conduct have been introduced. The courses are mandatory elements of training for senior officials within the police patrol force, of the basic training on investigative policing and special training on the investigation of sexual offences. A special emphasis is on managers as role models. In addition, a specific course was held in March 2019 on security awareness, handling of information and applicable codes of conduct. The course was accessible to all police staff via online streaming. The University of Akureyri has also complemented its curriculum in police studies with a specific course on ethics. The course is partly based on CEPOL's Common Curricula on Police Ethics and Prevention of Corruption and concerns occupational ethics in general, with special emphasis on the nature of policing, the inherent risks of conflicts of interest and anti-corruption measures. This course is currently being redesigned to be delivered online. Both the introduction course and the basic training programme are regular and contain aspects concerning ethics and codes of conduct, with a practical focus on ethical dilemmas and case studies.

58. GRECO takes note of the information provided by the authorities. GRECO welcomes the new courses on codes of conduct for the police in the NCIP's Education Centre and the University of Akureyri, as part of regular training and online training for the police. Apparently both the introduction training and the basic training curricula contain aspects concerning ethics and codes of conduct. This goes in the right direction. However, no information was provided with respect to training for Coast Guard. GRECO calls on the authorities to regularly monitor and adapt the integrity and ethics training for law enforcement to ensure that it is practice-oriented and duly covers various conflicts of interest aspects.

59. GRECO concludes that recommendation xii has been partly implemented

Recommendation xiii.

60. *GRECO recommended that (i) the role of the competence assessment committee in the selection of candidates at all levels be strengthened and that integrity checks be included in the recruitment process and periodically used (ii) vacancies as a rule be advertised and filled following a selection process based on clear criteria.*

61. The authorities of Iceland report that the role and structure of the Competence Assessment Committee (CAC) have not changed since the adoption of the Evaluation Report. However, this is currently being reviewed as part of the general organisational changes in the police (see above).

62. In response to the need to systematically advertise vacancies, in May 2019 the Minister of Justice sent a letter to all police commissioners reiterating the principles of the Government Employment Act n°70/1996, according to which all vacancies should generally be advertised, especially the high-ranking ones. The Minister stated that the existing legal exceptions should be narrowly applied. The letter specifically mentioned the position of GRECO on this matter. The Minister of Justice is planning to continue monitoring vacancies in the police and to convene a meeting with all police commissioners to discuss the relevant standards and principles applicable in the recruitment of police officers.

63. GRECO takes note of the information provided by the authorities. GRECO regrets that the role of the Competence Assessment Committee (CAC) has not changed since the adoption of the Evaluation Report. It notes, however, the plans to review the role of the CAC, and recalls that it would deserve to be strengthened, for instance by requiring that any refusal to follow its decisions on nominations is (well) grounded (paragraph 158 of the Evaluation Report). GRECO appreciates that in a letter to all police commissioners the Minister of Justice has recalled the need to advertise vacancies and notes the plans to continue monitoring this matter. Nevertheless, tangible results have yet to be reported.

64. GRECO concludes that recommendation xiii has not been implemented.

Recommendation xiv.

65. *GRECO recommended that clear, fair and transparent criteria, based on merit, be introduced for the non-renewing of contracts for law enforcement officers as well as clear appeal possibilities to challenge such decisions.*

66. The authorities of Iceland recall that the Government Employees Act n°70/1996 regulates the non-renewal of contracts for law enforcement officers, as it does for all other government employees. In accordance with the law, an officer must be notified no later than six months before the expiry of the contract whether his/her position will be advertised as a vacancy. If the employee does not receive notification of the vacancy, his/her contract will be automatically renewed upon expiry. In any case, the officer in question would always be able to apply for the vacancy.

67. The authorities specify that it would be necessary to analyse the relevant legal basis as well as the current practices concerning the non-renewal of government employees' contracts to determine the need for a systematic overhaul. Furthermore, the Ministry of Justice needs

to evaluate whether the existing mechanisms are based on sufficiently clear, fair and transparent criteria for the non-renewal of police officers' contracts before any specific additional mechanisms are introduced.

68. GRECO takes note of the information provided by the authorities. The authorities refer to the legal provisions that were already in place when the Evaluation Report was adopted and they consider it necessary to carry out an analysis of the relevant legal framework and its implementation in practice before adopting further specific provisions. GRECO regrets that no tangible progress has yet been made.

69. GRECO concludes that recommendation xiv has not been implemented.

Recommendation xv.

70. *GRECO recommended that robust sets of rules be elaborated for the Police and for the Icelandic Coast Guard concerning the acceptance of gifts, hospitality and other benefits.*

71. The authorities of Iceland report that the current rules on gifts, donations and grants dating back to 1999 have yet to be reviewed and complemented. Therefore, the Ministry of Justice has sent a request to the NCIP to conduct such a review in order to comply with the recommendation. The authorities add that the amendments to the Codes of Conduct for the Police and the Icelandic Coast Guard are currently under elaboration, covering provisions on acceptance of gifts, hospitality and other benefits.

72. GRECO takes note of the information provided by the authorities. In the absence of any tangible progress, GRECO concludes that recommendation xvi has not been implemented.

Recommendation xvi.

73. *GRECO recommended that a study be conducted on the practice of parallel or post-employment activities of law enforcement officers and in the light of the results, to adopt a stricter framework which would limit risks of conflicts of interest.*

74. The authorities of Iceland report that in October 2019 the new regulation on parallel activities of law enforcement officers took effect (regulation n°919/2019). The Ministry of Justice elaborated this regulation in close cooperation with police commissioners and the Minister adopted it with the unanimous support of all commissioners. The regulation complements the existing legislation on this matter and delineates more precisely the parallel activities which are prone to conflicts of interest. The introduction of a similar regulation for post-employment is currently being considered. The preliminary assessment conducted by the Ministry of Justice confirmed the need for such a regulation.

75. GRECO takes note of the information provided by the authorities. GRECO welcomes the new regulatory framework which provides details on parallel activities prone to conflicts of interest. A similar regulation for post-employment is being contemplated. Therefore, the recommendation cannot be considered more than partly implemented.

76. GRECO concludes that recommendation xvi has been partly implemented.

Recommendation xvii.

77. *GRECO recommended that (i) a central unit be established or designated within the police structure to deal with internal supervision and inquiries, under the responsibility of the National Police Commissioner who should have in practice a clear leadership for internal policies, including on integrity, and risk management and supervision; and (ii) the chain of command be reviewed to ensure the effective implementation of such policies, without ministerial and political interference.*

78. The authorities of Iceland report that the Minister of Justice, who took office in September 2019, has initiated a comprehensive organisational and structural reform of the law enforcement bodies. A special police council, consisting of all police commissioners and the District Prosecutor, has been established as an advisory and coordination body for major decisions concerning law enforcement. The Minister of Justice has also appointed a working group to analyse the need for further organisational and restructuring changes within the police and more specifically to re-evaluate the current mechanism for handling, processing and reviewing complaints against police officers, and for the conduct of investigations into criminal behaviour by police officers.

79. The authorities further specify that the re-evaluation of the role of National Commissioner of the Icelandic Police (NCIP), in law and in practice, to prioritise its tasks and to enable it to function as the supreme authority within law enforcement and as chief-coordinator of the Icelandic police, is one of the issues at the heart of the ongoing reorganisation of the law enforcement bodies. The NCIP has recently undergone a complete administrative audit by the Icelandic National Audit Office. Its findings and accompanying report were presented to the Minister in January 2020. The new NCIP was appointed on 1 March 2020. The NCIP has recently revised the internal organisational chart of the Police to raise efficiency and improve command structure and communication links.

80. GRECO takes note of the information provided about the on-going reorganisation of the Icelandic Police and the audit by the National Audit Office. It understands that implementation of the present recommendation is to be dealt with in that context.

81. GRECO concludes that recommendation xvi has not been implemented.

Recommendation xviii.

82. *GRECO recommended that clear rules on whistleblower protection be developed and implemented for law enforcement officers, to complement the existing reporting duty under the rules of conduct.*

83. The authorities of Iceland report that on 12 May 2020 Parliament adopted a new stand-alone act on whistleblower protection (Act n° 40/2020). The act provides for the protection of whistleblowers both in the private and the public spheres, covers all employees of law enforcement bodies and introduces a reporting duty for public officials. The Law will enter into force as of 1 January 2021.

84. GRECO welcomes the new law on whistleblowers' protection, covering both public and private sectors. This goes in the right direction. However, the law will only enter into force by 1 January 2021, and dedicated measures for its implementation in practice (such as awareness raising and training) with respect to law enforcement officers have yet to be conducted.

85. GRECO concludes that recommendation xvi has been partly implemented.

III. CONCLUSIONS

86. **In view of the foregoing, GRECO concludes that Iceland has implemented satisfactorily or dealt satisfactorily with four recommendations contained in the Fifth Round Evaluation Report.** Of the remaining recommendations, seven have been partly implemented and seven have not been implemented.

87. More specifically, recommendation i, v, vii and viii have been implemented satisfactorily, recommendations ii, iv, vi, ix, xii, xvi and xviii have been partly implemented, and recommendations iii, x, xi, xiii, xiv, xv and xvii have not been implemented.

88. As regards *persons entrusted with top executive functions* (PTEFs), the elaboration of a comprehensive strategic report analysing various conflicts of interest aspects involving top executive functions and issuing recommendations for improvement proved to be a good strategic basis to improve integrity and the management of conflicts of interest with respect to PTEFs. GRECO appreciates that as a follow-up to this report, the Government elaborated a bill which has now become the Law on measures to deal with conflicts of interest of PTEFs, covering Ministers, Permanent Secretaries and ministerial advisers. The Act regulates *inter alia* contacts with lobbyists, outside activities, asset declarations, gifts and post-employment restrictions. While rules on post-employment restrictions have been introduced, GRECO finds them rather weak, in particular the scope and length of the cooling off period. GRECO regrets that no progress has been made in addressing discrepancies between the codes of conduct applicable to PTEFs and on providing guidance and confidential counselling to PTEFs. Finally, efficient and regular awareness-raising mechanisms on integrity for PTEFs are still to be put in place.

89. As for Law enforcement agencies (LEAs), work is in progress, but with limited tangible results so far. It is expected that the on-going reorganisation of law enforcement bodies will fully address the requirements of GRECO's recommendations. Appropriate resources remain to be effectively allocated, including for integrity-related activities. Moreover, the chain of command will have to be reviewed and political interference limited. Transparent and fair recruitment and career procedures remain to be put in place, strengthening the role of the Competence Assessment Committee and providing criteria for non-renewal of contracts. The lack of progress with updating the Codes of Conduct of the Police and the Coast Guard is regrettable and no initiative for the setting up of an effective mechanism of confidential counselling has been reported. A mechanism for supervision and internal inquiries still has to be established. The new regulatory framework on parallel activities is welcomed but a similar framework to be adopted on gifts, hospitality and other benefits as well as on post-employment is still expected. GRECO welcomes the adoption of the new Law on whistleblowers' protection but specific measures for its implementation in practice will also be needed. GRECO appreciates the measures taken to raise awareness through regular

training of the police staff on integrity-related matters, and similar measures for the Coast Guard are expected.

90. In view of the above, GRECO notes that further progress is necessary to demonstrate an acceptable level of compliance with the recommendations within the next 18 months. Pursuant to Rule 31 revised bis, paragraph 8.2 of its Rules of Procedure, GRECO invites the Head of delegation of Iceland to submit additional information regarding the implementation of recommendations ii to iv, vi and ix to xviii by 30 April 2022.

91. Finally, GRECO invites the authorities of Iceland to authorise, as soon as possible, the publication of the report, to translate it into the national language and to make the translation public.