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# Lahore University of Management Sciences

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## Conflict of Interest

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Name	Designations	Signature	Date
URC	Convener, URC	Dr. Amir Faisal	February 22, 2018
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## 1. Purpose of Policy

The purpose of this policy is to assist LUMS' community in recognizing possible and/or perceived conflict of interest situations so that they can avoid and/or, in good faith, take the initiative to disclose, manage and resolve such situations.

## 2. Scope of Policy

This policy applies to all full-time faculty and full-time employees of LUMS to address all situations where LUMS' community member's personal interests, relationships or affiliations conflict, or appear to conflict, with the best interest of the University. Part of this policy also applies to the adjunct faculty members of LUMS (4.1.2).

Faculty Owned Business (FOB) should only be disclosed if that business reasonably appears to be related to the institutional responsibilities of the individual and/or if the business affects the obligations and time commitment of permanent faculty members with regard to teaching, research and consultancy at the university.

## 3. Definitions

### 3.1 Conflict of Interest

A Conflict of Interest (COI) or an appearance of conflict of interest exists when an outside activity of the LUMS' community member competes with or diminishes the interest of the University or interferes with the employee's performance of duties on behalf of the University. A conflict of interest also occurs when the outcome of a decision that should be made in the best interest of the University conflicts with the **personal or economic** interest of the individual.

COI includes conflict of commitment and financial conflict of interest:

#### 3.1.1 Conflict of Commitment

A conflict of commitment or an appearance of conflict of commitment occurs when the commitment to external activities of a LUMS' member adversely impacts, or appears to impact, his or her capacity to meet University responsibilities. This form of conflict is typically recognizable through a perceptible reduction of the individual's **time, focus, and/or energy** devoted to University activities.

#### 3.1.2 Financial Conflicts of Interest

A financial conflict of interest is one where there is or appears to be opportunity for personal financial gain, financial gain to immediate family member, or where it might be reasonable for another party to take the view that financial benefits might affect the individual's actions. Financial gain which when aggregated exceeds PKR 200,000 in an

academic year from any entity shall be considered as Significant Financial Interest (SFI) if the activity is not routed through OR and/or is not approved by the Dean/Vice Chancellor.

The activities may include income from seminars/workshops/symposiums/events, consultancy assignments, service on advisory board committees, review panels, lectures, teaching engagements etc. sponsored by any entity.

SFI **does not include** the following payments received by an investigator or an immediate family member of the investigator:

- 3.1.2.1 Salary or other remuneration from LUMS.
- 3.1.2.2 Remuneration (not including royalties) from a party organizations. Such payments should be routed through OR and thereby approved by Vice Chancellor.

## 3.2 Entity

Entity means any business or legal entity, including corporation (profit or non-profit), partnership, limited liability partnership, joint venture, voluntary association, sole proprietorship or trust.

## 3.3 Faculty Owned Business (FOB)

FOB is a legal entity(ies) including corporation (profit or non-profit), firm(s), partnership(s), limited partnership(s) joint venture(s), and sole proprietorship(s), or trust(s) in which faculty or their immediate family member(s), is entitled to, in whole or parts, existing or potential, ownership rights. LUMS may or may not have equity rights in such FOB(s).

## 3.4 Immediate Family Member

Immediate family member includes a spouse, parents, children and siblings.

## 3.5 Investigator

Investigators include all full time regular faculty members who act in the capacity of principal investigator, co-investigator, lead consultant, co-consultant, project director and are responsible for designing, conducting or reporting sponsored research or consultancy assignments at LUMS.

## 3.6 Outside activity

Outside financial, business, political, professional, public service, service on boards, academic activities, consultation arrangements, and leadership positions in external organizations.

### 3.7 Party Organization

A party organization is an entity that is directly or indirectly a sponsor or a collaborating party to proposed or ongoing research or consultancy projects at LUMS. Party organization may be a single entity or a group of affiliated entities.

### 3.8 University resources

HR, Library, IP rights, assets, equipment, telephone, fax, duplicating machines, campus mail, computing equipment and time, staff, office and classroom space, supplies, vehicles, postage, etc.

## 4. Policy Statement

LUMS' community members have an obligation to address both the substance and the appearance of conflicts of interest and, if they arise, to disclose them to the appropriate University authority. Every LUMS community member has an obligation to make itself well aware of the obligations stated in the subject policy. In order to adhere to the policy, LUMS' community members should avoid,

- Any situation where the nature of activity which could, either directly or in appearance, impair their effectiveness in performing University responsibilities.
- Receiving outside remuneration of the same services and activities assigned by LUMS.
- Receiving remuneration for an outside activity without prior approval from the authorities.

**Exception:** Faculty members who cannot satisfactorily fulfill their obligation towards LUMS as a result of their outside activities should consider a part-time appointment or a leave without pay.

### 4.1 Possible Situations

It is impossible to enumerate all situations under which conflicts of interest may arise. The following scenarios may be used as the guiding light for avoiding conflicts of interest:

#### 4.1.1 Use of University resources:

The University resources may only be used in special cases for services to outside entities, including the FOB(s), through explicitly written approval of the department chair and school dean or applicable administrative manager.

#### 4.1.2 Use of University's name:

The use of the University name and seal by members of the LUMS' community other than in the context of their responsibilities at the University is prohibited. Even in connection with the worthiest outside activities, LUMS' members should ensure that they do not state or imply that that they are speaking on the behalf of University.

The clause 4.1.2 also applies to the adjunct faculty of LUMS.

#### **4.1.3 Gift and gratuities:**

Members of LUMS may not solicit personal gifts and favors from a vendor, contractor, party organization, student, parent, or subordinate. Accepting gifts is also prohibited in most circumstances. Gifts or gratuities, valued in excess of PKR 1,000 or of undetermined value, if not applied for LUMS purpose or shared widely, should be returned immediately. Gifts of promotional items without significant value and that are routinely distributed by vendors to clients may be accepted. Ordinary business courtesies, such as payment for a modest lunch or dinner or courtesy copies of professional printed matter, are also acceptable.

#### **4.1.4 Sponsorship:**

LUMS' members must not:

- Orient sponsored research at LUMS to benefit an outside entity/FOB in which they have a significant financial interest.
- Transmit information including products, results, materials or records not available to the general public to a party organization without undergoing a confidentiality agreement.
- Accept research sponsorship that is predicated on finding predetermined research results.
- Use for personal gain privileged information acquired in connection with sponsored research or other university activities.

#### **4.1.5 Sponsorship by Faculty Owned Business (FOB):**

FOB may engage in sponsorship of projects at LUMS, subject to following additional conditions:

- Projects must follow all rules & regulations applicable on sponsored activities at LUMS.
- Faculty having ownership rights in FOB must declare their association prior to the engagement.
- Approval for research is granted by VC.
- IP generated from such work will solely belong to LUMS, however, rights may be negotiated on case to case basis.
- Faculty having ownership rights in FOB should not negotiate or execute the terms of agreement on behalf of LUMS.

#### **4.1.6 Role in FOB:**

Faculty may ensure timely and adequate disclosure of relationship with FOB and ensure that their role in the FOB is not more than advisory or consultative in nature. Faculty must not engage in



management/executive roles/positions of the company. However, if the Faculty member holds management/executive roles/position of the company; then LUMS will hold 5% equity in the company.

The solicitation/promotion of the FOB or any activity of immediate family member is not allowed.

#### **4.1.7 Involvement of current students and staff:**

Faculty members may not involve current students and staff, over whom they exercise supervisory or academic responsibility at the University, in their outside activities or FOB(s). The involvement of students/staff in research must be governed not only by the legitimate needs and objectives of the research project, but also primarily by considering the students'/staff's own educational/professional goals. Faculty must not exploit the work of students or other researchers.

#### **4.1.8 Purchase of equipment:**

The LUMS' members may not direct the purchase of equipment, instruments, materials, services, or other items from an outside entity or FOB in which a LUMS' member or their immediate family has financial or personal or controlling interest, without open competitive bidding through Procurement Department.

## **4.2 Disclosure of Conflict of Interest**

### **4.2.1 General Disclosure of COI**

Disclosure must be made at the time when conflict of interest arises or appears to be arising, in a manner as under:

- For permanent faculty, adjunct faculty and permanent staff, all disclosures shall be made to the Dean/HoD of the relevant School/Department. Dean/HoD is responsible to:
  - Examine the potential or real conflict of interest;
  - Should call the conflict of interest committee if conflict of interest exists
- For Deans, all disclosures shall be made to the Vice Chancellor. VC is responsible to:
  - Examine the potential or real conflict of interest;
  - Should call the conflict of interest committee if conflict of interest exists
- For VC, all disclosures shall be made to the Management Committee (MC). MC is responsible to:
  - Examine the potential or real conflict of interest;
  - Take further appropriate action

- Potential or actual conflict of interest may also be identified during the regular processing of a project or staff hiring etc. by the concerned School or Department.
- Any person at the University who perceives the Conflict of Interest at any other person's part at LUMS may also report the same to the Dean/HoD of relevant School/Department. The details of the reporter shall be kept confidential.

#### **4.2.2 Annual Disclosure of COI**

- The University also requires annual disclosure of conflict of interest, outside activities and/or related to FOBs by,
  - All permanent employees in their appraisal system

#### **4.2.3 Disclosure of COI to donors**

- In case, a proposal for external funding is submitted, an Investigator will be required to certify that they have submitted a complete and accurate annual disclosure and that the new research project does not present the potential for any actual or apparent conflicts of interest not already identified in the annual disclosure.

### **4.3 Action against the reported COI**

In case the matter appears to be conflicting with the interest of LUMS, the matter shall be referred to a conflict of interest committees comprising of the following,

For permanent/adjunct faculty members and the permanent staff:

1. Director HR
2. Director OR (if matter is related to research)
3. Dean/Director of the concerned department

In case of Dean, the third member shall be VC

The committee shall review the case within 15 days from the formation of the committee. If the COI exists, the matter shall be forwarded to the Disciplinary Committee (DC).

#### **4.3.1 Investigation and Escalation**

The DC shall further investigate the matter and may suggest a suitable course of action to minimize or eliminate conflict of interest within 15 days. In case the conflict of interest is established, appropriate action must be devised including:

- exemption
- warning
- fine

- termination
- any other which the committee deems fit.

#### **4.4 Appeal**

If LUMS' member (Dean/permanent and adjunct faculty/staff) objects to the resolution plan devised by the DC, the case shall be referred to the VC who shall, within 10 days of the appeal, appoint a Review Panel to decide upon the issue. The Review Panel shall be formed on the directions as deemed appropriate to the VC. The Review Panel shall reconsider whether a conflict of interest exists and evaluate the gravity of the conflict through analysis of the disclosure material. It shall recommend to the VC the steps necessary, in its view, to resolve the conflict within 15 days of its formation.

The VC may accept, reject or modify the recommendations of the Review Panel and shall make a final decision. The VC shall also oversee the implementation of the decision.

### **5. Consequence(s) of Non-Compliance with Policy**

Disciplinary process of the University shall be initiated in case any non-compliance of policies & procedures is identified.

### **6. Waiver of Policy**

In exceptional cases, and on a showing of good cause, the Vice Chancellor or his designated authority may waive a policy or procedural requirement. A waiver must be granted in writing and be specific to each case. The written request for a waiver should be timely communicated to the Office of Research (OR). Repeated waivers of any requirement shall prompt a policy review of that requirement under the LUMS governance structure. To show good cause, the written waiver shall provide reasonable justifications that:

1. The requirement being waived is impossible or impracticable;
2. The waiver does not violate any applicable law; and
3. The waiver is fair, in the best interest of the University, and narrowly tailored to address an exceptional case.

### **7. Special Circumstances/Exceptions**

No special circumstances are identified in this policy. Each identified case of misconduct will be reviewed on its own merit.

### **8. Roles and Responsibilities of Policy Implementation**

The major responsibilities that each party has in connection with this policy are as follows:

LUMS' member is responsible for:

- Compliance with University policies and any conditions imposed in respect of an existing conflict of interest.

- Report the Conflict of Interest at the part of any person at LUMS.
- The responsibilities of the concerned person under this policy have been stated in clause 4.2.

## 9. Title of Position with Maintenance of Responsibility

OR will be responsible for maintenance of the policy including its periodic review and approval of any subsequent modifications to the said policy.

## 10. Consequence(s) of Non-Compliance with Policy

Each instance of non-compliance will be referred to the Disciplinary Committee. The Committee shall decide on the appropriate disciplinary action in accordance with the University's established disciplinary policy and procedures.

## 11. Related Documents / Policies

- Faculty Disciplinary & Appeals Policies & Procedure
- LUMS Values & ethics

## 12. Related Laws

It is mandatory to abide by all laws and regulations as applicable in Pakistan. In certain circumstances, sponsors may require compliance with certain laws and their own statutory regulations as well.

## 13. Distribution & Physical Security

Access to these Policies & Procedures on the intranet portal shall be restricted and access shall be provided by Director of OR through following LUMS' Access Management Process. For further information, refer Access Management Policies & Procedures. However, in case a hard copy is required, printing rights shall be granted to the respective stakeholder as part of standard Access Management Process. System shall track the number of hard copies printed against each Login ID and shall maintain log as well.

Where there is a change in responsibility of an employee, the copy / access that the employee has of policy document should be handed over to the new employee and this action shall be documented in the previous employee's handing over notes. When an employee leaves the employment of LUMS, then the copy of/access to policy document should be returned to/ revoked by the Head of Department / IT Department prior to his departure.

## 14. Contacts

Contact	Designation	Phone
Office of Research (OR)	Director	8336, 8207, 8042