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From the Chairman



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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You asked for the Committee's advice about accepting unpaid, part-time appointments as Chairman of the China-Britain Business Council (CBBC) and President of the EU China Business Association (EUCBA).

The Committee took into account that as a Minister you were involved in a broad range of UK business policy matters and government to government meetings with many countries including the People's Republic of China and Hong Special Administrative Region. As Commercial Secretary to the Treasury, the CBBC was one of many organisations that asked you to attend their functions, or functions with which they were associated. These included a CBBC dinner in April 2011 for Yu Zhengsheng, the Party Secretary of Shanghai; a CBBC dinner in September 2011 for Wang Qishan, Vice Premier of China; and a June 2012 conference, supported by CBBC, on the future of the RMB in global financial markets. While HM Treasury do not have a contractual relationship with CBBC, it has been involved in supporting the general direction of UKTI's policy, which has led to UKTI delivering services through public-private channels as CBBC. Given that the CBBC and HM Treasury are each involved in China trade and investment matters, they inevitably interact on this agenda. The Committee noted that, whilst in office, you did not have access to commercially sensitive information about any competitors.

The Committee also took into the account the views of UKTI in relation to this appointment. Whilst the Chairmanship of the CBBC is not a Ministerial appointment as such, UKTI has been consulted on the succession plans because of the extremely close relationship CBBC has with them and the Government more widely on UK/China trade and investment issues. The Committee took into account that UKTI, the FCO and BIS have observer positions on the CBBC Board. Since 2007, CBBC has been UKTI's partner in delivering a range of business to business trade services for China and it receives an annual grant from UKTI of circa £2.8 million to undertake this work. CBBC (and by extension its Chairman) have a key role to play in advising the Government on the wider bilateral business relationship with China. The Committee also noted that, whilst you would need to have a relationship with Government

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in these roles, there would be no requirement to lobby Government in order to gain business for particular companies or to change policy in a way that would benefit you or your employers' own interests. The emphasis will be on helping the UK to succeed in a promising and challenging global market and, where relevant, lobby the Chinese Government on issues faced by British companies.

Noting that you do not propose to take up the appointment until July 2013, our advice is that we see no reason why you should not take up the appointment forthwith, subject to the following conditions:

- that you should not draw on any privileged information available to you as a Minister;
- for two years from your last day in ministerial office, in lobbying Government, you should not promote the particular interests of the Jardine Matheson Group.

It might be helpful if I add that lobbying is defined in the Business Appointment Rules in the following way: "Lobbying in this context means that the former Minister should not engage in communication with Government - including Ministers, special advisers and officials - with a view to influencing a Government decision or policy in relation to their own interests, or the interests of the organisation by which they are employed, or to whom they are contracted".

I should be grateful if you would inform us as soon as you take up the appointments, or if it is announced that you will do so, either by returning the enclosed form or by emailing the office at the above address. We shall otherwise not be able to deal with any enquiries, since we do not release information about appointments which have not been taken up or announced. This could lead to a false assumption being made about whether you had complied with the Ministerial Code. Similarly, I should be grateful if you would inform us if you propose to extend or otherwise change your role with CBBC or EUCBA as, depending on the circumstances, it may be necessary for you to seek fresh advice.

Once the appointments have been publicly announced or taken up, we will publish this letter on the Committee's website and include the main details of the application, together with the Advisory Committee's advice, in the regularly updated consolidated list on our website and in the next annual report.

Lord Lang of Monkton

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The Rt. Hon The Lord Sassoon

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