



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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You asked for the Committee's advice about taking up an appointment with the Astana International Financial Centre (AIFC).

The Committee's remit

As you know, it is the Committee's role to advise on any conditions that should apply to appointments or employment under the Government's Business Appointments Rules for Former Ministers (the Rules), which apply to former Ministers for two years after they leave office.

The Rules seek to counter suspicion that:

- a) the decisions and statements of a serving Minister might be influenced by the hope or expectation of future employment with a particular firm or organisation; or
- b) an employer could make improper use of official information to which a former Minister has had access; or
- c) there may be cause for concern about the appointment in some other particular respect.

When the Committee considers applications it must have in mind that Government has judged that it is in the public interest that former Ministers with experience in Government should be able to move into business or into other areas of public life, and to be able to start a new career or resume a former one. It is equally important that when a former Minister takes up a particular appointment or employment, there should be no cause for any suspicion of impropriety.

Appointment details

You have been approached by the Governor of the Astana International Financial Centre (AIFC) and invited to become a member of its International Consultative Council (ICC).

The AIFC is a new financial centre in Astana, Kazakhstan, being established by the Kazakhstan Government and scheduled to come into full operation on 1 January 2018. The aim of the AIFC is to establish a leading international centre of financial services.

As a member of the ICC, you would provide advice to the Governor and executives of AIFC on strategy and implementation.

It is a paid role and you expect it to involve 8 days' work a year. The appointment is not likely to include any contact or dealings with the UK Government.

You informed the Committee that, as trade minister, you met with HE Governor Kelimbetov, who is Governor of the AIFC, when he was in his previous role as Governor of the Central Bank of Kazakhstan. This meeting was a lunch in Almaty in September 2015.

You explained that you had involvement with the sector prior to becoming a Minister, as between 1993 and 1997 you were managing director at Morgan Stanley, a global investment bank operating in international financial centres of a similar type to AIFC.

Given your former responsibilities as Minister for Trade and Investment we consulted the Department for International Trade (DIT), formerly UK Trade and Investment (UKTI), which raised no concerns about your appointment. HMG is supportive of the AIFC and sees it as a means by which the UK financial services sector can win new business.

DIT provided the following details about relevant contact and decisions affecting the Government of Kazakhstan that you were involved in while you were a Minister:

- You gave consent for the UK Expo pavilion (the UK's interactive installation at the 'Future Energy' Expo in Astana, Kazakhstan, which ran from 10 June to 10 September 2017. The UK's pavilion was intended to promote the UK as a business and visitor destination during a programme of business, cultural and thought leadership events).
- You met with the Kazakh PM and senior Ministers including the current Governor of AIFC (as described above in your application) on your visit to Astana and Almaty in 2015.
- You also hosted the annual Intergovernmental Commission (IGC) when the President of Kazakhstan visited London as a guest of Government in November 2015. You, and the Kazakh Minister of Investment and New Technology, chaired the IGC attended by a large number of companies. President Nazarbayev and the UK's PM subsequently joined the IGC in the FCO to make various announcements, witness MOU signings etc. £3 billion of trade deals were signed.
- You offered the Kazakh Government your experience and expertise in a major privatisation programme. This was the sale by Kazakhstan's sovereign wealth fund of

over 120 small and medium sized businesses, across a number of sectors from nuclear power and transport to service companies and educational institutions.

The Committee's consideration

Whilst the Committee noted the clear link between this appointment and your responsibilities in Ministerial office, it considered that the gap between leaving office and taking up this role (over 18 months) is sufficient to mitigate any concerns about the propriety of this appointment.

The Committee note that your role as Minister for Trade and Investment required you to have contact with the Government of Kazakhstan and to make decisions that impacted on it, consistent with the UK's objectives for a long-term commercial strategy with Kazakhstan. DIT confirmed this provided economic opportunities for the UK financial sector in Kazakhstan. The Committee concluded that there was nothing to suggest that decisions you made in office were influenced by the hope or expectation of future employment.

The Committee considered the risk of perception that you might unfairly advantage AIFC is low. The time that has lapsed since you left office is relevant in this respect, as the currency of any privileged information you had access to would inevitably have diminished over time. The extended lobbying ban set out below would restrict you from making use of contacts in the UK Government to influence policy or secure business for AIFC.

The Committee considered that your prior career in global investment banking was also a relevant consideration as it demonstrates that your experience and knowledge of this sector predates your time as a Minister.

Taking into account these factors, in accordance with the Government's Business Appointment Rules, the Committee advises this appointment be subject to the following conditions:

- you should not draw on (disclose or use for the benefit of yourself or the persons or organisations to which this advice refers) any privileged information available to you as a Minister; and
- for two years from your last day in Ministerial office, you should not become personally involved in lobbying the UK Government on behalf of the Astana International Financial Centre, nor should you make use, directly or indirectly, of your contacts in Government to influence policy or secure business on behalf of the Astana International Financial Centre.

By 'privileged information' we mean official information to which a Minister or Crown servant has had access as a consequence of his or her office or employment and which has not been made publicly available. Applicants are also reminded that they may be subject to other duties of confidentiality, whether under the Official Secrets Act, the Civil Service Code or otherwise.

The Business Appointment Rules explain that the restriction on lobbying means that the former Crown servant/Minister "*should not engage in communication with Government*

(Ministers, civil servants, including special advisers, and other relevant officials/public office holders) – wherever it takes place - with a view to influencing a Government decision, policy or contract award/grant in relation to their own interests or the interests of the organisation by which they are employed, or to whom they are contracted or with which they hold office."

I should be grateful if you would inform us as soon as you take up employment with this organisation, 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 that have not been taken up or announced. This could lead to a false assumption being made about whether you had complied with the Rules and the Ministerial Code.

Please also inform us if you propose to extend or otherwise change the nature of your role as, depending on the circumstances, it may be necessary for you to make a fresh application.

Once the appointment has 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.

The Baroness Browning

The Rt Hon Lord Maude of Horsham