



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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1. You approached the Committee about taking up an appointment as a Non-Executive Chairman for Capital International Group.

The Committee's role and remit

2. As you will be aware, it is the Committee's role to advise on the 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.

3. 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.

4. It is not the Committee's role to pass judgment on whether an appointment is appropriate or suitable in any other regard.

The Application

From the Chair

5. You sought the Committee's advice on taking up a paid and part time position as a Non-Executive Chairman for Capital International Group. You stated Capital International Group (CIG) is a business to business bank. The CIG website states it was founded in 1996 (by Peter and Anthony Long) and is an independently run business, offering a range of financial solutions including:

- an online open architecture international investment platform
- investment solutions, which include a range of discretionary portfolios, funds and bespoke solutions
- treasury services, which include cash management and foreign exchange solutions

6. CIG's clients include Independent Financial Advisers, life companies, pension schemes, fund and wealth managers, collective investment schemes, financial intermediaries, corporate and trust service providers, and High Net Worth individuals. CIG also state it provides investment services to the Isle of Man Government.

7. You told the Committee that you do not expect to have contact with the Government and as Non-Executive Chairman, you will offer:

- Leadership within framework of prudent and effective controls enabling risk to be assessed and managed under guidance of Isle of Man Financial Service Authority.
- Setting company strategy with regard to risk appetite and ensuring necessary financial and HR resources are in place.

8. You informed the Committee the CEO was a client of a law firm where you were an adviser, between 2011-2017. You clarified you had no further dealings with the CEO during your time as a Minister and were only contacted after the public announcement was made about you stepping down.

9. You advised the Committee that during your time in office you did not meet with CIG and that there was no relationship between your former department and CIG. You further stated that you made no policy or funding decisions affecting CIG.

10. The Foreign and Commonwealth Office (FCO) was also contacted in regard to this appointment. The FCO stated that they had no record of you meeting CIG while in office, though it was possible you could have attended events where CIG were present. The FCO confirmed you were not involved in policy decisions related to the financial services sector, including CIG.

11. The FCO does not to its knowledge have a relationship with COG, though notes it does with many larger financial services firms. The FCO said you did meet with the following investment banks during your tenure: Standard Chartered, HSBC, Goldman Sachs, and CitiGroup. The FCO said these investment banks may offer some services that compete with CIG. However, it did state you did not have any official dealings or access to

sensitive information regarding competitors nor did it consider you would have access to sensitive information that might be seen to confer an unfair advantage to CIG.

12. FCO has no concerns about you taking up this appointment.

The Committee's consideration

13. When considering your application, the Committee¹ considered whether this appointment could be perceived as a reward for decisions taken in office. You did not have any official dealing with CIG while in office and the FCO confirmed you were not involved in policy decisions related to the financial services sector, including CIG. Therefore, the Committee did not consider it could reasonably be perceived you were offered this role as a reward for decisions made in office.

14. The Committee noted that, you might be seen to have knowledge of policy in a general sense that could be seen to offer an unfair advantage to CIG. The FCO did not consider this to be a particular risk, either with regard to policy or competitor information. The Committee noted it had been 6 months since you were in office, reducing the inherent risks around your access to information and would draw your attention to the privileged information ban below.

15. Further, there is risk you could be perceived to offer an unfair advantage given the network of contacts you will have built up while in office. The lobbying ban below makes it clear it would be improper for you to use your contacts across Government/ Whitehall to the unfair advantage of CIG. Further, although CIG do not currently hold any contracts with HMG the FCO do have dealings with other banks, so the Committee imposed a condition below which prevents you from advising on bids and with the UK Government, if they did choose to compete for government work in future.

16. In accordance with the Government's Business Appointment Rules, the Committee advises this appointment as Non-Executive Chairman for Capital International Group be subject to the following conditions:

- that you should not draw on (disclose or use for the benefit of yourself or the organisations to which this advice refers) any privileged information available to you from your time in Ministerial office;
- 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 Capital International Group (including parent companies, subsidiaries and partners). Nor should you make use, directly or indirectly, of your government and/or Ministerial contacts to influence policy, secure funding/business or otherwise unfairly benefit Capital International Group (including parent companies, subsidiaries, partners and clients); and

¹ This application for advice was considered by Sir Alex Allan; Jonathan Baume; Lord Larry Whitty; Baroness Angela Browning; Mike Weir and John Wood. Richard Thomas unavailable.

From the Chair

- for two years from your last day in office you should not advise Capital International Group or its partners or clients on the terms of, or with regard to the subject matter of, a bid or contract with, or relating directly to the work of the UK Government.

17. 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.

18. 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.*"

19. I should be grateful if you would inform us as soon as you take up this appointment, 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 Ministerial Code. Similarly, I should be grateful if you would inform us if you propose to extend or otherwise change your role with the organisation as depending on the circumstances, it might be necessary for you to seek fresh advice.

20. Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee's website, and where appropriate, refer to it in the relevant annual report.

The Baroness Browning

The Rt Hon Mark Field