



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: MR CIARAN MARTIN, CB

1. The Committee has been asked to consider an application from Mr Ciaran Martin, Chief Executive at National Cyber Security Centre, part of GCHQ, on taking up an appointment with Paladin Capital Group (Paladin).

2. Mr Martin's last day in post and service will be 31 August 2020. He intends to take up this appointment once he has left Crown service.

Application details

3. Mr Martin sought the Committee's advice on taking up a post with the Paladin Capital Group as an Advisory Board Member. Its website says Paladin is a global investor that supports and grows innovative cyber companies. It states it is a leader in investing in technologies, products, and services focused on dual use in both commercial and governmental markets with a strong value-add culture. Mr Martin said the nature of the business was venture capital.

4. In this role he does not expect this role to involve contact in government. He states his role will be to:

- attend two meetings per year of Paladin's Advisory Group in Washington D.C
- advise on strategies for expanding Paladin's cyber security investment portfolio in Europe and worldwide
- work with potential and active Paladin portfolio companies

5. Mr Martin stated he had no involvement in relevant policy decisions or development. He did tell the Committee in May 2018 Michael Steed (founder and managing partner) and various other Paladin executives visited NCSC in London for a briefing on the UK's approach to cyber security. This was at the request of Chris Inglis (former Deputy Head of the NSA in the US). In this meeting they discussed primarily the UK's approach to harnessing the private sector in support of cyber security. He states no specific commercials were discussed. He states he also hosted receptions/events at which Paladin and its competitors were present.

6. Mr Martin said on a handful of occasions during his time in service he has hosted or presented at UK Trade and Investment events involving US venture capital firms. He could think of two examples: Singapore (October 2019) and San Francisco (February 2020). He stated his role was to sell the UK as a good location for cyber security investment given the UK technical climate and expertise and good reputation in cyber security. He had no discussions about any commercial specifics with anyone. He said NCSC's role was in part to help the government create the right conditions for the cyber security industry and promote the UK as a good place to do cyber security commercially, and the NCSC is open to private sector innovators, with whom it collaborates. The companies go through an open and transparent process, it also helps a few companies through the cyber accelerator scheme. He confirmed he played no role in this and has no insight into the commercials of any companies in the UK or elsewhere (as his main role was to promote the UK as a good place for cyber security business). Paladin does little if any business with the UK Government and he does not expect to be involved in discussions with HMG.

7. GCHQ confirmed the above and also said Mr Martin had no *'insider'* knowledge of the UK's start-up or Venture Capitalist sectors. It can see no areas where he would have had access to privileged commercial information that could help Paladin. While it noted Paladin will benefit from his knowledge of the UK's approach to cyber security, this information is *'...very much a matter of public record.'* It also told the Committee it has no contractual relationship with Paladin. It said there this appointment could not be perceived as a reward as Paladin has had *'...zero dealings with GCHQ/NCSC and little with wider HMG (other than UK trade & investment's effort to get more interest in the UK).'*

8. GCHQ says it does not have any reservations about this appointment. It said it can foresee no conflicts of interest or perception of unfair advantage in the eyes of its commercial partners or public opinion. It said *'Indeed, insofar as it will be visible, Ciaran's involvement in such a well connected company (US partners) could benefit the UK's security profile.'*

The Committee's Consideration

9. The Committee¹ noted the only interaction Mr Martin had with Paladin was through a meeting discussing the UK success with private companies and cyber security and attendance at events, this contact was in line with his official responsibilities. Additionally, the Committee noted he did not make any decisions about Paladin and both Mr Martin and the department confirmed there is no relationship between GCHQ/NCSC and Paladin. As such, he had no involvement in awarding contracts and funding. There is nothing to suggest he made any decisions whilst in office with the expectation of a future role, as such the risk of this appointment being seen as a reward for decisions taken in office is low.

10. The Committee considered that by virtue of his role, as Chief Executive at NCSC, it could be perceived he could offer the Paladin an unfair advantage in providing advice on potential cyber security related investments, particularly in relation to UK cyber start-ups. This could give them an unfair advantage over their competitors as it might appear as though he can offer the inside track on which cyber start-ups it would be most profitable to invest in and how to secure the best terms. However, the Committee gave weight to the Department's confirmation that this information is in public record which is keeping with NCSC's purpose and commitment to transparency. Further, his role in working with commercial companies was limited to high level promotion of the UK being a good place to do business. As such, whilst Paladin will undoubtedly gain from his profile, and his skills and

¹ This application for advice was considered by Sir Alex Allan; Jonathan Baume; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; Lord Larry Whitty; Dr Susan Liataud and John Wood.

experience in the sector, there is a low risk he holds any sensitive information that would unfairly benefit Paladin.

11. The Committee also noted he could be seen to have influence and a network of contacts within Government. This could be perceived to offer an unfair advantage to Paladin should he become involved in discussions or negotiations on bids and contracts. Therefore, the lobbying ban imposed below makes clear that it would be inappropriate for him to use his contacts across the UK Government to the unfair advantage of Paladin. The Committee would also like to draw his attention to the ban on providing advice on the terms, a bid or contract relating directly to the work of the UK Government, including with regard to contracts. However, the Committee noted this is entirely in keeping with Mr Martin's intended role as an Advisory Board Member.

12. Under the Government's Business Appointment Rules, the Prime Minister accepted the Committee's advice that this application with **Paladin Capital Group** should be subject to the following conditions:

- he should not draw on (disclose or use for the benefit of himself or the organisations to which this advice refers) any privileged information available to him from his time in Crown service;
- for two years from his last day in Crown service, he should not provide advice to Paladin Capital Group or its clients on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of the Government including the UK Security and Intelligence Agencies; and
- for two years from his last day in Crown service, he should not become personally involved in lobbying the UK Government on behalf of Paladin Capital Group (including parent companies, subsidiaries, partners and clients); nor should he make use, directly or indirectly, of his contacts in the Government and/or Ministerial contacts to influence policy, secure business/funding or otherwise unfairly advantage Paladin Capital Group (including parent companies, subsidiaries, partners and clients).

13. 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 or otherwise.

14. 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."

15. I should be grateful if you would ensure that we are informed as soon as Mr Martin takes up this work, or if it is announced that he will do so. 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, and this could lead to a false assumption being

made about whether Mr Martin had complied with the Rules.

16. I should also be grateful if you would inform us if Mr Martin proposes to extend or otherwise change the nature of his role as, depending on the circumstances, it may be necessary for you to make a fresh application.

17. 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.

Yours Sincerely,

Isabella Wynn
Committee Secretariat