

From the Chair



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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September 2024

BUSINESS APPOINTMENT APPLICATION: The Rt Hon Ben Wallace MP, former Secretary of State for Defence at the Ministry of Defence. Paid appointment with Boka Capital.

1. You approached the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for Former Ministers (the Rules) seeking advice on establishing an investment fund (the Fund) with Boka Capital as a Partner.
2. The purpose of the Rules is to protect the integrity of the government. The Committee has considered the risks associated with the actions and decisions made during your time in office, alongside the information and influence you may offer Boka Capital/the Fund as a former Secretary of State for Defence. The material information taken into consideration by the Committee is set out in the annex.
3. The Committee's advice is not an endorsement of the appointment - it imposes a number of conditions to mitigate the potential risks to the government associated with the appointment under the Rules.
4. The Ministerial Code sets out that ministers must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former ministers of the Crown, and Members of Parliament, are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

The Committee's consideration of the risks presented

5. Boka Capital Ltd is a fund management firm. It is a separate legal entity to Boka Group Holdings Ltd, but is connected via the same company directors. Boka Group Holdings describes itself as a holding company that builds and empowers innovation and technology companies through an asset base. You will be employed by Boka Capital as a partner, and you will control and manage your own investment fund - the Fund. You said that you will be investing/providing venture capital funding in defence and security related companies, for example, AI, sensors and software.
6. You did not meet with Boka Capital while in office and did not make any policy, regulatory or commercial decisions specific to it. There is no direct overlap with your time in office and this newly established investment fund management company. Whilst the MOD has contracts with some companies that Boka Group Holdings invests in, as detailed in the annex, you had no specific oversight or involvement as the contracts were not significant enough to warrant the attention or oversight of the Secretary of State for Defence. Therefore, the Committee¹ considered that the risk this opportunity could reasonably be considered as a reward for decisions or actions taken in office is low.
7. As the former Secretary of State for Defence, you would have had access to a wide range of sensitive information. There is a broad overlap here, given that the Fund will invest in a variety of companies, including within the defence technology sector. This raises a reasonable risk that, given your time at the MOD, you may have had access to information that could be seen to give unfair insight into investment opportunities around defence-related issues. The Committee recognised that while your role would have provided you with insight into capabilities, requirements and potential opportunities in defence technology, this risk only arises if the information is privileged, as opposed to where your investment decisions are based on general skills and experience gained in office. The MOD confirmed that it is unaware of any specific sensitive information relating to unannounced policy or commercial opportunities that you had access to as Secretary of State, that would offer Boka Capital/the Fund an unfair advantage. It is significant that you have been out of office for a year, which creates a gap between your access to information and the proposed role.
8. As a former Secretary of State for Defence, there are risks associated with your influence and network of contacts in government. In particular, the Committee considered the risks associated with unfair access you might be seen to offer the companies you invest in, particularly where they operate in defence; and the unfair influence you may be seen to offer Boka Group Holdings which has

¹ This application for advice was considered by Andrew Cumpsty; Sarah de Gay; Isabel Doherty, Hedley Finn OBE; Dawid Konotey-Ahulu CBE DL; The Rt Hon Lord Pickles; and Mike Weir. Michael Prescott was recused.

controlling shares in companies working with the MOD. There are several factors that mitigate this risk:

- a. You told the Committee that you will not lobby government, nor are you likely to have any direct relationship with government.
 - b. Your focus will be in controlling and managing an investment fund portfolio - not in providing advisory services to Boka Capital or any other company.
 - c. You will not hold controlling stakes in the companies you invest in, nor will you be working for them. As an investor only, you will not be in a position to influence the decision of any company or its stakeholders.
 - d. You will have no involvement with Boka Group Holdings or any of its subsidiaries. This advice relates to Boka Capital/the Fund only.
9. It is likely you will have developed a network of contacts in foreign governments and other organisations, as a result of your time in office. The Committee considered that there would be potential risks if you were to seek investment through these contacts. Specifically, that you might be seen to be providing the Fund/Boka Capital with unfair advantage in making investments as a result of your time in government.
10. You mentioned that you would actively avoid investment where there are security concerns relating to the UK government, such as Russia and China. You may be seen to have insight into investments that would be valuable but which also may benefit states where there are security concerns. The Committee agreed that there may be potential risks here. It is relevant that there are a number of formal mechanisms in place to help manage such risks, including: the National Security and Investment Act 2021 - which allows the government to scrutinise and intervene in certain acquisitions made by anyone and the Economic Crime and Corporate Transparency Act 2023 which tackles money laundering and improves transparency over corporate entities.

The Committee's advice

11. The main risk in this case is associated with the potential broad overlap with your responsibility for defence, and your proposal that the Fund may invest in that sector.
12. The Committee noted the mitigating factors above that help to reduce the risks associated with your access to information. The conditions below seek to mitigate the risks associated with contacts and influence from your time in government and prevent you from making use of privileged information from your time as the Secretary of State for Defence.

13. You made it clear to the Committee that you would avoid investing in areas of conflict with UK security. To reflect that undertaking, the Committee has imposed an additional condition to ensure that you and Boka Capital take the appropriate steps to manage this risk.
14. As a former Cabinet Minister you are subject to a three month wait before taking up appointments as set out in the Rules, though this has now expired.
15. In accordance with the government's Business Appointment Rules, the Committee advises this role with **Boka Capital Ltd/the fund** 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 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 or its arm's length bodies on behalf of Boka Capital Ltd/the fund (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in the government and/or ministerial contacts to influence policy, secure business/funding or otherwise unfairly advantage Boka Capital Ltd /the fund (including parent companies, subsidiaries, partners and clients);
 - for two years from your last day in ministerial office, you should not provide advice to Boka Capital Ltd/the fund, 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 or its arm's length bodies;
 - for two years from your last day in ministerial office, you should not become personally involved in lobbying contacts you developed during your time in office in other governments and organisations for the purpose of securing investment/business for Boka Capital Ltd/the fund (including parent companies, subsidiaries and partners); and
 - you must ensure that Boka Capital Ltd/the fund have protocols in place to avoid investing in countries that have a known UK security conflict.
16. The advice and the conditions under the government's Business Appointment Rules relate to your previous role in government only; they are separate from rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists, the Parliamentary Commissioner for Standards and the

Registrar of Lords' Interests.² It is an applicant's personal responsibility to understand any other rules and regulations they may be subject to in parallel with this Committee's advice.

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 Ministerial 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. You must inform us as soon as you take up employment with this organisation, or if it is announced that you will do so. You must 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.
20. Once the 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 Rt Hon Lord Pickles

² All Peers and Members of Parliament are prevented from paid lobbying under the House of Commons Code of Conduct and the Code of Conduct for Members of the House of Lords. Advice on obligations under the Code can be sought from the Parliamentary Commissioners for Standards, in the case of MPs, or the Registrar of Lords' Interests, in the case of peers.

Annex - Material Information

The role

1. You sought to establish a private investment fund hubbed³ with Boka Capital. Boka Capital is a fund management company. It is a subsidiary, and separate legal entity, of Boka Group Holdings. The holding company describes itself as 'building and empowering innovation and technology companies through an asset base.' The company focuses across the deep tech sector, including cutting edge technologies that advance military, intelligence, and commercial markets. Boka Capital itself also invests in growth-stage defence.
2. Boka Group Holdings has two subsidiaries - Adarga and ALL.SPACE - which both currently hold contracts with the MOD, and in which Boka Group Holdings has controlling stakes. You said that you will not have any involvement in Boka Group Holdings, Agarda or ALL.SPACE - you will only be managing your fund and investments.
3. You will be a partner in the fund, alongside two other people. Regarding establishing this fund, you provided the following information:
 - You will be employed by Boka Capital, as the head of your specific investment fund - of which you will retain control.
 - You will be investing in UK / US/ EU companies through the fund.
 - You plan to invest in defence and security tech companies, e.g. in AI, sensors, software.
 - Investment will be a mixture of equity investment and venture capital.
 - You will not be a majority shareholder in the companies in which you invest and therefore have no control or management of the companies the fund invests in.
 - Your role could involve contact with foreign governments because some governments run sovereign wealth funds that invest in a range of European companies (e.g. Norway).
 - The fund will act like conventional private equity funds and be subject to all the UK and US regulatory regimes.
 - You said that you will not have any direct contact with government. There is a possibility that you will invest in companies that hold contracts or relationships with the UK government, though you will have no involvement in this as your role will only be as an investor.
 - You will draw on skills from his time as minister but not on privileged information.
 - You will not be lobbying government.

³ 'Hubbed' meaning the fund will be established as part of Boka Capital.

4. You told the Committee that before entering Parliament and government, you worked for a company called QinetiQ - a UK defence / technology / research company, and that much of your knowledge in setting up this fund will draw on experience gained from this role. You told the Committee the following information:
 - You worked at QinetiQ from 2003-2005.
 - You were an overseas business development director.
 - This role was to find customers for QinetiQ in emerging technology, mainly among foreign governments and intelligence/security agencies of those countries.
 - It was focussed on finding a commercial/wider use for technologies discovered in the defence/public sector.
5. You also informed the Committee you would actively avoid investing where there are UK security concerns, for example with Russia. The Committee noted that security concerns to HMG are fluid and can change overtime.
6. There are formal mechanisms in place to manage certain security risks, such as the National Security and Investment Act 2021⁴ - which allows the government to scrutinise and intervene in certain acquisitions made by anyone, including businesses and investors, that could harm the UK's national security; and the Economic Crime and Corporate Transparency Act 2023 which tackles money laundering and improves transparency over corporate entities.⁵

Dealings in office

7. You confirmed the following from your time as Secretary for Defence:
 - You had no contact with Boka Capital in office.
 - You made no policy, regulatory or commercial decisions relevant to Boka Capital or the parent company Boka Group Holdings.
 - You do not have access to sensitive information that would provide an unfair advantage;
 - You did not meet with competitors of Boka nor have access to sensitive information regarding competitors.

Departmental Assessment

8. The MOD provided the following information:

⁴ <https://www.legislation.gov.uk/ukpga/2021/25/contents/enacted>

⁵ <https://www.legislation.gov.uk/ukpga/2023/56/enacted>

- You did not make any decisions that would have specifically impacted Boka Capital.
- Any decisions you did make would have been sector-wide and possibly could have impacted Boka minimally insofar as it invests in defence companies.
- You did not have any contact with Boka Capital or any other venture capital firm.
- You do not have access to sensitive information that it considered could provide yourself or Boka Capital with an unfair advantage - any information you did have access to would have been broad and relating to defence commercial.
- There is no relationship between MOD and Boka Capital.
- There are two contracts in place - one between Adarga and UK Strategic Command, due to expire in March 2025; and one between ALL.SPACE and Air Command due to expire at the end of September. The MOD said that you had no involvement in awarding these contracts - that they are low value and therefore not material enough to have been flagged to the Defence Secretary.

9. The department did not have any concerns about this appointment and recommended the standard conditions.