



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Bim Afolami FRSA, former Economic Secretary to the Treasury. Paid appointment with Peel Hunt.

1. You sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for Former Ministers (the Rules) on an appointment you want to take up with Peel Hunt.
2. The purpose of the Rules is to protect the integrity of the government. The material information taken into consideration by the Committee is set out in the annex.
3. The Committee¹ considered whether this work was unsuitable given the overlap between your responsibilities as the Economic Secretary to the Treasury and Peel Hunt, a UK investment bank. The Committee also considered the information provided by the department about your access to information and decision making in office.
4. The Committee has advised that a waiting period and a number of conditions be imposed to mitigate the potential risks to the government associated with this appointment under the Rules. This is not an endorsement of this appointment in any other respect.
5. 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,

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

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

6. Peel Hunt is a UK investment bank which operates internationally. It combines research and distribution with a range of investment banking services, including: equity capital markets; debt advisory; mergers and acquisitions (public and private); investor relations; private equity; and corporate brokering. You seek to take up a short term appointment for around 10 weeks to provide advice to the CEO on the company's financial strategy and planning.
7. You met with Peel Hunt and numerous other British banks and investment banks on several occasions in office. You described this as part of the programme of engagement to gather intelligence ahead of policy decisions in relation to the British banking environment as a whole. As Economic Secretary to the Treasury you were also responsible for overall policy related to financial services regulation, including for the investment banking sector and UK capital markets. Whilst this included a programme of reform to UK capital markets regulation and the wider agenda to boost investment into UK markets through pensions and retail investment – this was based on decisions announced by the Chancellor in spring 2023. HMT said you were not responsible for decisions which specifically impacted the investment banking sector or Peel Hunt whilst in post. Although there is a clear overlap with your responsibilities in ministerial office, the Committee considered the risk this role could reasonably be perceived as a reward for decisions made, or actions taken, in office is limited.
8. As the former minister with responsibility for the particular sector Peel Hunt operates in, you would have had access to information that could be perceived to benefit the company. For example, you were involved in multiple discussions and decisions which afforded you such access. In particular, policy development on reforms to investment research rules as part of the independent Investment Research Review and pension and retail investments in UK markets.
9. There are mitigating factors that help to reduce these risks, including:
 - This risk relates to your general access to information and degrades over time. HMT's view is that six months would be an appropriate gap.
 - A range of fiscal and economic decisions being made by the current government, including the Autumn budget, changes the direction of policy.

10. The Committee agreed with HMT that whilst there are mitigating factors, there remains a risk associated with your access to information on policy discussions, alongside your wide engagement in the sector including with competitors of Peel Hunt. Whilst you cannot know what decisions will be made in the future, you do have privileged insight into policy options being considered, and had access to companies operating within the sector, until recently.
11. There is also a risk, as with all former ministers, that you could be seen to offer unfair access to government, as a result of your time in office. You told the Committee that your role will not involve contact with government and this is an internal role offering advice to the CEO.
12. The Committee has also taken into account that you gained experience within this sector, some years ago, prior to joining government.

The Committee's advice

13. There are risks under the Rules associated with your responsibilities in office directly overlapping with this work. The main risk is that your closeness to the sector risks being seen as offering unfair access to information about competitors, alongside information on policy options within the investments landscape – both of which could confer an unfair advantage to Peel Hunt. The Committee is also mindful of major decisions upcoming as a result of the Autumn Budget and other decisions by the new government which could follow.
14. To mitigate the risks, the Committee recommends a gap between your access to information and responsibilities in office, and a limitation to the role. The Committee has agreed with HMT's recommendation that a six month gap from your last day in ministerial office would be appropriate. Further, your role must remain internal as described and you should not advise Peel Hunt on matters that directly relate to your privileged insight - such as reforms to the investment research rules and regulatory matters from your time in office that remain undecided.
15. The remaining risks associated with your access to privileged information, contacts and influence gained from your time in office are appropriately mitigated by the remaining conditions below.
16. The Committee advises, under the government's Business Appointment Rules, that your role with **Peel Hunt** should be subject to the following conditions:

- a waiting period of six months from your last day in ministerial office;
- 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 arms' length bodies on behalf of Peel Hunt (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in the government to influence policy, secure business/funding or otherwise unfairly advantage Peel Hunt (including parent companies, subsidiaries, partners and clients);
- for two years from your last day in ministerial office, you should not provide advice to Peel Hunt (including parent companies, subsidiaries, partners and 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 UK government or its arm's length bodies; and
- for two years from your last day in ministerial office, your role should be limited to advising the CEO internally, on the financial strategy, as described in this advice; and you should not advise Peel Hunt's clients directly or indirectly. In doing so you must not advise Peel Hunt on matters that draw from your privileged insight from your time as EST - for example, reforms to the investment research rules and regulatory matters from your time in office that remain in flux.

17. The advice and the conditions under the government's Business Appointment Rules relate to your previous role in government only; there are separate 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.

18. 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

² All Peers and Members of Parliament are prevented from paid lobbying under the the House of Commons Code of Conduct and the Code of Conduct for Members of the House of Lords. Advice on your 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

also reminded that they may be subject to other duties of confidentiality, whether under the Official Secrets Act, the Civil Service Code or otherwise.

19. 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.”
20. You must inform us as soon as you take up employment with this organisation, or if it is announced that you will do so. 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.
21. 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

Annex - Material information

The role

1. Peel Hunt plc is an investment bank – which combines expert research and distribution, a range of investment banking services, and an execution services hub that provides liquidity to the UK capital markets. Its website says it combines the capabilities of investment banking, advisory and capital markets services, research and distribution with a powerful trading platform. It provides services in:
 - equity capital markets
 - debt advisory
 - mergers and acquisitions (public and private)
 - investor relations
 - private equity
 - corporate brokering
2. You said that you wish to take up a short term role as a paid Special Adviser

to the CEO, advising on financial strategy and planning. You said this would be internal and it would be unrelated to your time in office.

3. You also noted that this draws on experience gained before entering parliament in 2017:
 - ten years in the City of London; first as a corporate lawyer at Freshfields Bruckhaus Deringer and Simpson Thacher & Bartlett, then moving into banking in restructuring and strategy.
 - a senior executive at HSBC from May 2015 to May 2017 where you did financial strategy.

Dealings in office

4. You gave the Committee the following information about your role as Economic Secretary to the Treasury at HM Treasury (HMT):
 - Peel Hunt is a major stakeholder of HMT.
 - Whilst in office, you met Peel Hunt and several other British banks on numerous occasions (in roundtables) as part of the programme of engagement that you and the Chancellor were doing in order to discuss finance in the UK. You said these meetings were designed as intelligence gathering meetings ahead of formulating policy towards the British banking environment as a whole.
 - You did not make any policy, regulatory or commercial decisions specific to Peel Hunt or its clients;
 - You do not consider you have any access to sensitive information that could grant Peel Hunt or its clients an unfair advantage.

Departmental Assessment

5. HMT provided the Committee with the following information:
 - Peel Hunt regularly engages with government officials and ministers on policy related to UK capital markets, with a particular focus on policy to boost investment into UK capital markets.
 - You were responsible for reform and regulation within banking and capital markets regulation. This means you had access to a range of sensitive information relating to the sectors in which Peel Hunt operates, including access to policy discussions and options, that are either not in the public domain or have not yet moved on under the new government. Such information could be valuable and provide an unfair advantage to any investment company, especially in the context of financial strategic planning.
 - In terms of decision making, HMT policy development related to boosting investment into UK markets was led by the former Chancellor

and announced at the Spring Budget 2023. HMT was not aware of any specific regulatory or policy decisions you made which had a specific impact on the investment banking sector or Peel Hunt, but noted your responsibility for delivering the Public Offers and Admissions to Trading Regulations which applies to quoted/listed companies raising capital, including some firms which Peel Hunt may represent.

- You met with Peel Hunt twice:
 - At a roundtable hosted by the former Chancellor on 9 January 2024 focused on capital markets policy, which was attended by Peel Hunt.
 - You had a 1-1 meeting with the CEO and Head of Research of Peel Hunt on 22 February 2024. This meeting focused on UK capital markets, where Peel Hunt set out their views on tax and regulatory reforms to boost investment into UK markets, including specific conversation on policy related to UK ISA proposals, the investment research review and boosting pensions investment. No policy decisions came from this meeting.
- You met with a range of competitors, which are listed at the bottom of this annex.

6. HMT said that it did not consider this appointment would be improper, subject to a waiting period and conditions to mitigate the risks. It provided the following mitigating factors:

- Peel Hunt was not given privileged access during your time in post, and there would be no suggestion that the appointment was a reward for past favours.
- While your ministerial portfolio covered subjects which are of interest to Peel Hunt it is not aware of any policy where you made significant decisions (although was privy to policy development) during your tenure which were specifically influenced by his engagement with Peel Hunt.
- Your knowledge of current government policy related to capital markets is limited to information that has already been announced and/or that which it is not certain the new government will take forward, so is unlikely to offer a prolonged unfair advantage to Peel Hunt.
- Following the appropriate waiting period, your access to privileged information in relation to Peel Hunt's competitors is unlikely to offer an unfair advantage.

7. HMT recommended the standard conditions and a six month waiting period. This was recommended as a result of Peel Hunt's regular engagement with government on capital markets policy; your regular meetings with competitors in the sector; and, access to privileged information relating to policy

development which likely overlaps with the role as a paid adviser in this sector.

Meetings with competitors:

- J.P. Morgan UK Leaders Conference on 21.11.23
- Financial Times Global Banking Summit on 29.11.23
- Clare Woodman (EMEA CEO, Morgan Stanley) on 6.12.23
- Visiting Morgan Stanley's Glasgow Office on 5.12.23
- Simon Linnett (Executive Vice Chairman, Rothschild) on 18.12.23
- Meeting Sir Mark Tucker (Group Chair, HSBC) on 8.1.24
- Chancellor's Capital Markets Breakfast on 9.1.24
- Roundtable on Advice Guidance on 18.1.24
- Ian Stuart (UK CEO, HSBC) on 18.1.24
- Robert Leitaio (Head of Global Advisory, Rothschild) on 22.1.24
- Claire Sudden-Spiers (Global Head of Equity Capital Markets, Rothschild), Nicola King (Head of Government Advisory Business) and Simon Linnett (Executive Vice Chairman in Global Financial Advisory) on 22.1.24
- Gillian Sheldon (Vice Chair of UK Investment Banking, Morgan Stanley) and Ben Grindley (Co-Head of UK & Ireland Investment Banking, Morgan Stanley) on 21.1.24
- Chancellor's Financial Services Business Breakfast 23.1.24
- Debt Management Office (DMO) Annual Conference on 29.1.24
- Bea Martin (UK CEO, UBS) on 30.1.24
- Richard Gnodde (CEO, Goldman Sachs International) on 1.2.24
- Katharine Braddick (Group Head of Strategic Policy, Barclays) on 7.2.24
- Charlie Jacobs (Co-Head of UK Investment Banking, J.P. Morgan) and Henry Knapman (Managing Director) on 7.2.24
- HSBC US Leadership Team in New York on 14.2.24
- Eurofi Conference in Gent on 21.2.24
- Hosting a Roundtable on Digital Gilts on 22.2.24
- Hosting a Roundtable on Open Finance FinTech on 26.3.24
- Emmanuelle Bury, (UK Country Head, BNP Paribas) on 15.4.24
- Bernard Mensah (President of International, Bank of America) on 23.4.24
- Barclays' Canary Wharf Office on 25.4.24
- Lazard Office Lunch Event on 29.4.24
- Lazard T500 Venture & Growth Conference on 8.5.24
- Goldman Sachs UK Investors Roundtable on 21.5.24
- UK Finance External Affairs Committee on 21.5.24