

COMMUNICATIONS GUIDANCE FOR FPC MEMBERS

General

The FPC is a Committee of the Bank. Its main objectives are set out in statute and it has statutory powers of direction in relation to the financial regulators. It also carries out functions of the Bank that have been delegated to it by Court.

The Bank's effectiveness depends upon its authority, its reputation for rigorous analysis, integrity and independence. Members of the FPC have a special responsibility to promote the reputation of the FPC and the Bank and the integrity of its decision-making processes. They are subject to a statutory Code of Practice relating to conflicts of interest. And they must at all times avoid statements and conduct that could in any way undermine public trust in the Bank.

Communications

The Bank of England Act specifies that decisions of the Committee are to be reached by consensus wherever possible. Where consensus cannot be reached, a decision is to be taken by a vote of all those members present at the meeting.

The public Record of the meeting must specify any decisions taken at the meeting (including decisions to take no action) and must set out, in relation to each decision, a summary of the Committee's deliberations. Where decisions are reached by consensus, the arguments considered in reaching that consensus should be reflected in the Record of the meeting. Where the Committee has recorded a vote, the arguments advanced for each position should also be reflected in the Record.

Members are fully entitled to explain their policy positions in public, but should ensure that their communications respect any consensus reached at the Policy meeting.

On topics where the FPC has not reached a formal position, members are free to express their views publicly. If doing so, members should maintain the Bank's and the FPC's reputation for constructive policy debate.

Only the Governor as chairman can speak on behalf of the Committee as a whole. In speaking on policy matters, members of the Committee should make it clear that they speak in a personal capacity, and those who are not part of the Bank executive should make it clear that their connection

with the Bank is through the FPC only and does not extend to monetary policy or prudential regulation.

Monetary Policy

Those FPC members who are not members of the MPC should avoid discussing UK monetary policy decisions. This would not preclude more general comments – for example on the design of policy frameworks – that might be more academic in nature; but FPC members should in particular avoid speaking publicly about any aspect of UK monetary policy during the monthly MPC “quiet” period¹. The purpose of purdah is to avoid comments that feed market speculation about MPC decisions. It should be made clear in both publications and speeches that any remarks are made in a personal capacity.

Quiet Period

The FPC quiet period will extend from the start of the policy meetings to the day after publication of the record of that meeting, the press statement that relates to that meeting or the FSR that follows the meeting, whichever is the earliest. In this period, all FPC members must avoid media comment or speaking engagements related to FPC matters. Moreover, if the quiet period formally ends prior to the release of the record of the meeting, then any additional information (such as any votes on policy recommendations, or on policy options considered but not adopted) that will be subsequently released as part of the record should be kept confidential until release of the record itself.

Members are also advised not to comment publicly on fiscal policy or tax measures except in the context of their implications for UK financial stability. Since the FPC may give confidential advice to the Chancellor on fiscal measures ahead of a Budget, members should avoid comments on what should be - or, after the event, should have been – included in that Budget.

Speeches and other media plans

Members must report and discuss their forward speaking and media plans – both formal and informal – with the Bank’s Press Office when it is likely that an FPC matter may be discussed and provide formal texts of speeches, articles and other media contributions (including on social media) in advance of publication. In the interests of coordination, the Bank’s Press Office maintains a database of all planned speeches, articles and other media contributions, and will endeavour to

¹ Formerly known as “purdah” - a period of eight days from the Friday of the pre-MPC meeting to the Friday after the announcement, inclusive; in the months when the Inflation Report publication and press conference take place, the purdah period extends until the end of the day of the publication of that Report.

ensure that communications from the FPC and its members are orderly and effective. Where speeches, articles and other media contributions by FPC members cover issues relevant to the decisions of the FPC, members must give the Governor an opportunity to comment on the content at least 48 hours in advance, along with other FPC members and the Bank's Press Office. Members should also circulate appropriately within the Bank in advance, through the Press Office, speeches, articles and other planned media contributions relevant to the wider work of the Bank.

Meetings

FPC members are encouraged to make contact with financial market participants. But in considering invitations to attend events, such as roundtables, which are sponsored by individual firms, members should weigh the benefits against the possibility that they are handing the firms concerned a competitive advantage, or may be perceived to do so. Such firm contacts may be a useful source of market intelligence. However, the Bank must ensure that this access to FPC members, and to members of other policy committees is not systematically confined to a select group of organisations. Comments made by the member should be kept to material already in the public domain and care should be taken not to say anything that might be construed as private information with a bearing on future policy decisions. A Bank note taker should always be present.

Political Involvement

FPC members should, while in office, avoid any public association with a political party, including by becoming a member, making donations or by speaking or writing in its support.

Lectures and academic journals

Members of the FPC will treat public lectures and publication of academic research in professional journals – in the UK or internationally - in the same way as speeches, and should keep the Bank's Press Office informed of all events, whether public or private, where it is likely that FPC matters may be discussed.

Leaving Office

This Code continues to apply for an agreed period after the end of the FPC member's engagement, either at the expiry of the fixed period, or at any other time. Provided the FPC member continues to comply with this Code, the agreed fee will be payable for the additional period.

Approved by Court

14 February 2020