

ENTERTAINMENT AND GIFTS

The Bank's role as the UK's central bank requires many of us to develop contacts with external parties. This will often involve giving and receiving hospitality, and occasionally we may be offered gifts. The Bank's position as a public body means that it has to apply, and be seen to be applying, high standards of ethical behaviour to maintain objectivity and commercial impartiality and to protect against any suggestion of impropriety.

The Bank's rules are set out below. They may not be applicable to every case. Common sense will often determine whether or not an offer of entertainment or a gift should be accepted. But if the acceptance of entertainment or gifts by an individual member of staff was challenged – internally or externally – it would be necessary to show that acceptance was appropriate, consistent with the Bank's rules, and did not give grounds for concern that personal judgement or integrity had been compromised.

Legislation

UK legislation on bribery applies to us all at the Bank. Under the [Bribery Act 2010](#) it is an offence for a Bank employee to offer, promise or give a bribe to another person, or to request, agree to receive or accept a bribe from another person, and individuals may be subject to prosecution. The Bank may also be found liable if it fails to prevent a bribe by an associated person.¹ Heads of Division may wish to incorporate specific requirements regarding supplier contact into business area guidelines where some element of procurement is involved. The legislation also applies to anyone external to the Bank who attempts to influence a member of staff corruptly.

Rules

Our Code requirements are that "you must not accept or offer in your official capacity, any fee, gratuity, gift, hospitality or entertainment of any kind, from or to a Bank customer, supplier or any other person, without authority from your Manager/Head of Division. You must not solicit gifts from a Bank supplier for yourself or for any other purpose. If you are in any doubt about accepting or offering a gift or entertainment, then you should discuss this with your Manager prior to doing so".

The rules set out below are applicable to all of us. Executive Directors, Directors and/or Heads of Division may, where necessary, propose adaptation of the rules to suit particular circumstances of the work of their area. But these rules are a minimum. Stricter rules and standards will tend to be required when staff have a direct commercial involvement with an organisation or individual through their work; for example, purchasing, tenders and contracts, financial market operations.

¹ A bribe is a financial or other advantage which is intended to bring about the improper performance by another person of a relevant function or activity. An associated person would include Bank staff and any external organisations that perform services for or on behalf of the Bank.

Business areas will also need to consider their approach to the receipt of entertainment and gifts when individuals are heavily engaged in activities or projects over particular periods which might result in unusual levels of business contact. Where no local variations are in place, these rules apply.

Prior approval from the Secretary must be sought before implementation of business area rules.

Compliance with the procedures for reporting and recording the receipt of entertainment and gifts is subject to audit and the Secretary's Department will, from time to time, review consistency of practice across the Bank. Breaches of these rules could result in action under the Bank's disciplinary procedures.

The Governors, Executive Directors, other members of the MPC, FPC, PRC and Advisers to the Governor are also covered by the rules. The Secretary acts as their point of reporting and reference.

Rules: Entertainment²

- (i) Offers of entertainment may be accepted or made where they are necessary to develop and maintain outside contacts relevant to work responsibilities. They should be restricted to working lunches or similar events as far as possible.

- (ii) You should decline any offer of entertainment that might be seen as excessive, as putting the recipient under an obligation, as offered to influence a procurement decision, as in doubtful taste or as liable to bring the Bank's name into disrepute. 'Excessive' includes offers of entertainment that are time-consuming, over-frequent (part of a pattern of invitations to one area from a particular organisation that, taken together, appears inappropriate); or disproportionately lavish. Invitations to expensive or exclusive sporting or cultural events should be declined.

- (iii) Please decline invitations from firms regulated by the Bank or the FCA, or from professional advisers without the prior agreement of an Executive Director or Governor (which may be a general permission rather than case by case)³.

- (iv) Business contacts may also be personal friends. For the purposes of these rules, any hospitality offered and accepted in an official and not a personal capacity should be seen as institutional and reported accordingly. (E.g. where a firm is paying for the hospitality).

² "Entertainment" includes all hospitality received including meals (for example working lunches and breakfasts), drinks and paid-for outings of all kinds. Tea, coffee or light refreshments, e.g. biscuits received at the offices of a third party need not be reported.

³ Directors who are not EDs should seek delegated authority / a general permission from the relevant Deputy Governor in relation to such invitations to staff in their Directorship.

- (v) If you are invited to an event accompanying your spouse or partner you should treat the invitation as though it was to yourself at the Bank and apply these rules accordingly.
- (vi) If in doubt about whether it is appropriate to accept an invitation, please discuss with senior management or seek advice from the Secretary's Department before accepting the entertainment offered.

Rules: Gifts

- (i) You should discourage the presentation of gifts as far as possible. However, where refusal would cause offence or embarrassment, and when the value is modest, a gift may be accepted. Sometimes gifts take the form of 'prizes' offered by a corporate entity when you are on Bank business. The same rules apply.
- (ii) You must not accept cash or retail vouchers (except for commemorative coins/specimen notes), or electronic devices (for security reasons).
- (iii) Heads of Division may permit recipients to keep items up to a value of £30. The Secretary may permit gifts up to a value of £100 to be retained. Reporting requirements for trivial or ephemeral items, such as calendars and diaries, may be waived.
- (iv) Heads of Division, line managers and recipients should be wary of authorising/accepting gifts that together have an accumulating effect for an individual.
- (v) Any gifts not retained where the value is over £30 should be passed to the Community team for disposal to, or to the benefit of, charitable organisations (unless (vi) is applied).⁴ Gifts where the value is less than £30 should be given to charity directly.
- (vi) Heads of Division may set up local arrangements for raffling or otherwise disposing of gifts of a value of less than £100 for the benefit of charitable organisations. Gifts whose value is likely to be in excess of £100 should be passed to the Community team for the benefit of charitable organisations.
- (vii) You must not solicit gifts from a Bank supplier for yourself or for any other purpose.

⁴ Directors and above should pass any gifts not retained to the Secretary, who is responsible for deciding if any should be retained for the Bank's collections. Otherwise they will be passed to the Community team in line with the policy outlined in (v) above.

Rules: Speaking engagements

- (i) As a general rule, invitations to speak at a commercially-sponsored conference should be accepted only when the occasion provides a good opportunity for the Bank to communicate information to a relevant audience. Please refer to the [Decision tree for speaking engagements](#).

- (ii) If the organiser offers to meet travel and/or accommodation costs, then provided the condition in (i) above is met, this should be accepted – bookings should still be made by the Bank's Travel Services and invoiced to the organisers.

- (iii) Where fees and expenses are offered for speaking engagements and other appearances, they should be accepted and surrendered to the Bank; this includes where the option of a fee or gift is offered. Any gifts received in respect of speaking engagements/articles/media appearances should be dealt with in accordance with the guidelines on gifts set out above.

Rules: Reporting

Each Executive Director, Director, and Head of Division/function should ensure that satisfactory arrangements are in place for recording gifts and entertainment received by staff in their area. The arrangements implemented should ensure that a quarterly summary schedule showing relevant details (i.e. recipient, date, donor, description) is saved to Filesite using a document title format of 'Gift Reporting: [Directorate]: [yyyy Qn]'. This should be e-mailed to the Deputy Secretaries.

Data retention and monitoring

Data will be treated as strictly confidential and retained in accordance with the Bank's record-keeping policies. It is subject to audit and Secretary's Department and Compliance Division may inspect local records and procedures. Under certain circumstances, information may be made available to HR and to relevant senior management, for example where there is a business need or compliance requirement.

Any questions about the application or implementation of these standards and guidelines should be referred to the Secretary or the Deputy Secretaries.