



BANK OF ENGLAND

Personal Relationships Policy

There are certain close personal relationships within the Bank or in specific roles externally that need to be declared, so that the risk of an actual (or perceived) conflict of interest, or perceptions of influence or unfair advantage, can be managed.

This policy is part of *Our Code*, which all Bank staff required to attest to annually.

Why do we need this policy?

The requirements in this policy are designed to protect Bank staff against the risk that certain personal relationships could create, or could be perceived as creating, a conflict of interest, influence, or unfair advantage.

This includes where Bank staff are having active discussions about prospective employment with a Bank regulated firm, a significant dealing counterparty of the Bank, or a firm with whom they have contact with as a supplier of the Bank.

Who does this policy apply to?

This policy applies to all Bank staff. This includes consultants, contractors and agency staff.

What you must know or do

Bank staff are expected to be independent of personal interests that might influence our judgement or affect our decisions.

Bank staff respect their colleagues' right to a private life. But the Bank needs to know about close personal relationships, with an individual or an organisation, that could be perceived as creating a conflict of interest or unfair advantage so that, if there is some risk, adjustments can be made to avoid it and any suspicion of collusion, founded or unfounded. This is particularly important in areas where there is dual control of assets, or signature panels for release of payments.

It is also important that Bank staff do not participate in a decision to hire, directly or indirectly manage, or contribute to appraisals, pay and promotion decisions of someone with whom they have a close personal relationship. Beyond this, if staff know someone seeking employment with or business from the Bank they should discuss it with their line

manager before they become involved in any way with the related decision-making process.

Bank staff must disclose any close family members (i.e. spouse/partner, parents, siblings, and children) in the following roles:

- working in the Bank of England;
- working in financial, economic or political journalism;
- working in a Bank-regulated firm;
- working in a significant dealing counterparty of the Bank;
- working in a firm holding or tendering for a contract with the Bank;
- holding a national elected public office (MPs, the Scottish Parliament, the London, Northern Ireland or Welsh Assemblies).

Bank staff also need to declare any other close personal relationship that could give rise to an actual or perceived conflict in relation to a specific decision in which they are involved, or their day-to-day work more generally, given their role and that of the individual in question. Such conflicts relating to a particular situation are likely to arise only rarely.

This set of relationships is based on experience of the types of connection that can cause (unfounded) anxiety and suspicion, but which will cause less of both if they are disclosed to managers and the Bank using the Our Code Compliance system. Please see Appendix One for a flowchart to help in deciding which relationships need to be declared; Appendix Two sets out some common scenarios.

Day-to-day work

If a potential conflict of interest relating to a close personal relationship arises in the course of their day-to-day work, staff should bring this to their manager's attention. General disclosure in the Our Code Compliance system is not a substitute for this responsibility.

Discussions about prospective employment

Actual or potential conflicts of interest may arise where staff are seeking a role with a prospective new employer and may also need to be disclosed. If Bank staff are having active two-way discussions about prospective employment with any organisation that is regulated by the Bank, a significant dealing counterparty of the Bank, or a firm that they have contact with as a Bank supplier, they must disclose a personal relationship in the Our Code Compliance system so that their manager is aware. Secretary's Department can provide advice to managers on whether a conflict of interest could arise.

If staff do not wish to notify their line manager of their active discussions with one of these types of firm, they must make the Secretary (the Conflicts Officer) or Deputy Secretaries aware promptly, and take advice on the management of any conflicts that may arise. The Conflicts Officer will maintain their confidentiality, unless the nature of the conflict(s) identified make some form of disclosure to management unavoidable. That would be discussed fully with the member of staff in advance.

The application of this policy will be in accordance with the relevant data protection legislation.

For all colleagues



1. **You must disclose in the Our Code Compliance System the personal relationships set out above.**



2. **If you are unsure about whether to disclose a relationship, please seek guidance from your management, the Secretary or Deputy Secretaries before making a declaration.**

2.1. This includes where you are no longer in contact with a family member and may need to be granted an exception to the disclosure requirement.



3. **Where a conflict is identified you should cooperate with any steps taken in order to protect you, the person with whom you have declared the relationship, and/or the Bank.**

3.1 In some circumstances, it may be necessary to discuss with you a transfer to another area or to other work, or avoidance of particular work. This would be in full consultation with the parties involved.



4. **If circumstances change, you must promptly update any declarations in the Our Code Compliance System and notify your line manager.**

For all line managers



5. **You must ensure that you and members of your team understand the requirements of this policy.**



6. **If a personal relationship has been declared, you must:**

6.1 review the disclosure promptly via the Our Code Compliance system and consider whether it is required;

6.2. assess the nature of the risk that might arise from this relationship;

6.3. agree the risk assessment and any mitigants that might need to be put in place with a Head of Division (or above). See Appendix Three for some example mitigants;

6.4. if mitigants are needed, put them in place;

6.5. record the agreed actions in the Our Code Compliance system directly or by including a document link; and

- 6.6 ensure you receive confirmation that the individual has completed any actions required.

What support is available to help you comply with this policy?

The following documents support this policy:

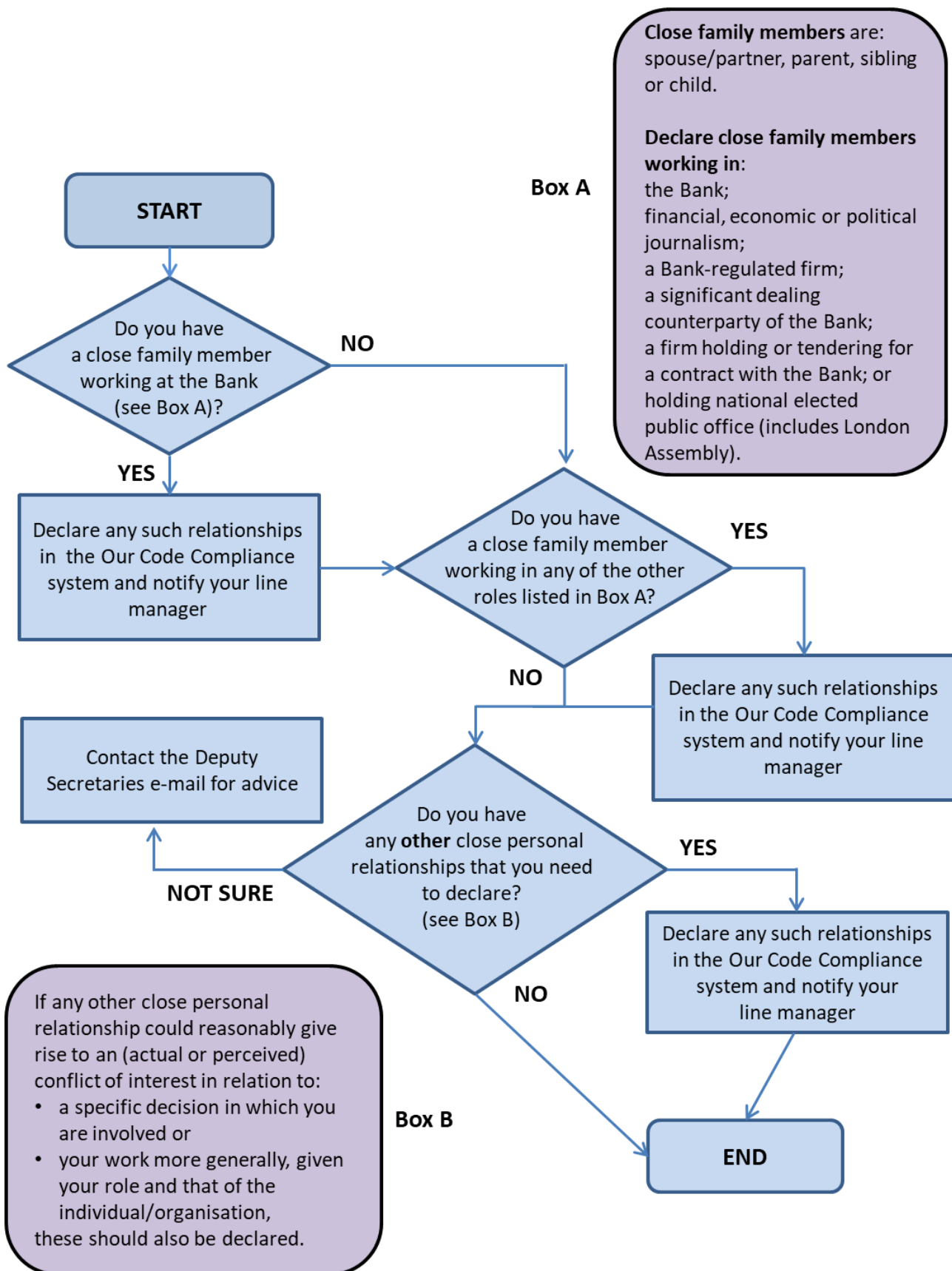
- Our Code ; and
- Staff Handbook (see Section C2).

What is the impact of non-compliance?

If you realise you have breached – or suspect that you might have breached – a requirement in this policy please tell your line manager as quickly as possible, so that the issue can be reported and redressed. The Bank gives credit for you taking prompt responsibility for your mistakes. You should be aware that failing to discharge your responsibilities could lead to disciplinary or other action.

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Appendix One – Do I need to declare a Personal Relationship?



Appendix Two – Guidance on what other relationships to declare

- You are not expected to declare all of your friends at the Bank, but declarations should be made if – for example – two team members share a house and one is line managing the other, so as to consider whether this responsibility is appropriate.

- Similarly, you are not expected to declare all of your friends in regulated firms, but if – for example – you work on capital and liquidity policy and you have a close friend working in the capital-planning function of a PRA-regulated firm, this should be declared.
- You should always consider whether a prior acquaintance with someone seeking employment with or business from the Bank ought to be disclosed where you are in any way involved in the decision to appoint.

Appendix Three – Example Mitigants

Some existing examples of mitigants include:

For internal relationships

- ensuring that any dual control/access is appropriately reviewed;
- considering whether participation in decisions around pay or promotion is appropriate;
- considering cross directorate/ division working; managing any perceived or actual conflicts of interest or unfair advantages etc.

For external relationships

- not supervising the firm/ attending firm-specific meetings;
- disclosure to management on social interactions;
- recusal from any investigation of the firm;
- changes in reporting lines;
- no involvement in contingency planning for a specific firm.