



BANK OF ENGLAND

Market Intelligence Charter

What is Market Intelligence and why does the Bank collect it?

The Bank's mission is to promote the good of the people of the United Kingdom by maintaining monetary and financial stability.¹ This necessitates that the Bank's policy and operational decisions are made with an understanding of the financial market context in which it operates. Gathering intelligence on financial markets makes a vital contribution to that understanding. Market Intelligence (MI) is, therefore, information gathered from market participants to enhance the Bank's understanding of financial market developments and to inform its monetary and financial stability policy decisions.

MI provides the Bank with crucial insights beyond publicly available data, which are essential in helping to identify actual and incipient sources of monetary and financial instability. Furthermore, MI provides important information for the Bank when designing and assessing the success of the operations it undertakes either to support Bank policy or on behalf of the government of the United Kingdom. In addition to its use in internal work, MI informs the analysis presented in Bank publications (e.g. *Financial Stability Report*, *Inflation Report* and *Quarterly Bulletin*) and in speeches by Bank officials.

The Bank's MI function focuses on the financial system as a whole, covering both domestic and international markets; it does not investigate consumer issues, nor does it seek to identify or pursue regulatory concerns at individual institutions.

From whom does the Bank gather Market Intelligence?

The Bank engages in conversations with a wide range of market contacts, in regulated and unregulated markets, as well as periodically with market participants operating in major overseas financial centres. London's position as an international financial centre both necessitates and facilitates this broad coverage. The Bank deploys necessarily limited resources to MI and therefore prioritises those markets, products, and sectors judged most likely to present risks to the monetary and financial stability of the United Kingdom. The Bank will therefore have varying levels of knowledge in various financial markets, and does not, nor would not, aspire to know everything about all financial markets operating in the United Kingdom.

The Bank gathers MI from counterparties to its own financial market transactions. These contacts in turn provide further contacts. Institutions provide the Bank with MI in the understanding that it will, as far as possible, be treated with confidence.

How does the Bank gather Market Intelligence?

MI is gathered directly by staff working for the Bank's MI function. It is also gathered indirectly, as a by-product of the Bank's policy, analytical, operational and supervisory work.

¹ As stated in the Bank's Strategic Plan <http://www.bankofengland.co.uk/about/Pages/strategicplan/default.aspx>

All Bank staff are required to comply with a Code of Conduct that requires ethical and professional behaviour². Those staff involved in external engagement (including gathering MI) are required to comply with a set of policies and procedures, which cover risk mitigation and best practice principles. Furthermore, the Bank ensures that staff are provided with training and guidance appropriate to the external engagement they undertake and their experience. There are controls in place to ensure the appropriate use of confidential MI by the Bank and to ensure that Bank staff do not use confidential MI they gather for private financial benefit.

Most MI conversations take the form of bilateral discussions between the Bank and representatives of individual institutions. MI is also undertaken via multilateral discussions where the Bank engages with more than one institution in the same meeting. These multilateral discussions are subject to their own governance arrangements.

What happens to information gathered for Market Intelligence?

The Bank attaches great importance to accurate and complete record-keeping, and to ensuring that these records are retrievable by the Bank. Contacts should work on the assumption that any material information they provide will be recorded by Bank staff. Contacts should note that the Bank may record, monitor and store our telephone calls with you for recordkeeping, dispute resolution and training purposes. Information is shared internally across the Bank with the appropriate document management and security classification controls in place.³ The Bank periodically shares material which includes information gathered via MI with the Financial Conduct Authority, the Government and other relevant governmental bodies and/or regulatory authorities. This information is highly aggregated and does not contain any institution-specific or attributed comments.

Institutions should direct any regulatory or conduct questions to their supervisory contact at the Bank's Prudential Regulation Authority and/or separately to the Financial Conduct Authority. If the Bank receives information which it deems to be potentially of regulatory or conduct interest – including any evidence, suspicion or allegation of misconduct - it will share this information, on a non-aggregated and non-anonymised basis, with the relevant authority (e.g. Competition and Markets Authority, Financial Conduct Authority, HM Revenue & Customs, National Crime Agency and Serious Fraud Office).

The Freedom of Information Act 2000 applies to the Bank and records may be disclosed under the Act.

² See Our Code 'Acting with integrity, demonstrating impartiality'
<http://www.bankofengland.co.uk/about/Documents/humanresources/ourcode.pdf>

³ For more information on how we process and use your data please visit <https://www.bankofengland.co.uk/markets/-/media/a3d7e599f284419ba5ad8d7f55de8aff.ashx>