

their wider public lives unless such conduct significantly damages the reputation and integrity of the House of Commons as a whole or of its Members generally. The Commons Commissioner may not investigate a specific matter which is considered to cause significant damage to the reputation and integrity of the House which relates only to the conduct of a Member in their private and personal lives. The Committee on Standards and Privileges has power to consider any matters relating to the conduct of members, and could consider cases where it considered personal conduct caused significant damage to the reputation and integrity of the House.

35. The aforementioned ethical rules are largely replicated in the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly, each of which has its own Code of Conduct. As regards the operation of the enforcement machinery in the devolved institutions, they all have dedicated Commissioners and Committees, but there is a notable difference as compared to the Westminster system: in Scotland, Wales and Northern Ireland, breaches in respect of registration and declaration of interests, along with paid advocacy, are criminal offences.

#### Conflicts of interest and disclosure requirements

36. Potential conflicts of interest for Members of Parliament are addressed by the Codes of Conduct pertaining to each House. The Codes focus on the official conduct of Members rather than on limitations on their private interests and activities which may give rise to the question of conflicts. The Codes state that Members should base their conduct on consideration of the public interest, and resolve any conflict between their personal interest and the public interest at once, and in favour of the public interest. In addition, there is some specific guidance on certain actions, for example on standing aside from a Select Committee inquiry if the Member has a direct financial interest, and using parliamentary resources for other than parliamentary work. There are very few restrictions on the outside remunerated occupations/activities/interests a Member may have. There is an outright ban in both Houses on paid advocacy and there are certain other official positions that a Member of the House of Commons is prohibited from holding (see also paragraph 47).

37. Both the House of Lords and the House of Commons primarily address conflicts of interest by favouring transparency of Members' interests and activities over regulation of their non-parliamentary actions. They do so through the institution of a registration system requiring the written, publicly available disclosure of certain types of financial and other interests coupled with an additional requirement of oral declarations in the course of parliamentary proceedings (and on the public record of the proceeding), or in any communication with Ministers, Government departments, or public officials/public office holders.

38. It is notable that those who are candidates for seats in the House of Commons, if not already incumbents, are not required to declare all the interests that would be reportable if elected<sup>15</sup>. Thus those who elect them are not able to judge the particular outside interests that the individual candidate may bring to office if successful. This state of affairs merits some further reflection by the authorities.

#### Registration of assets, income, liabilities and interests

39. As noted above, Members of both Houses are responsible for making a full disclosure of their interests that may be related to their parliamentary duties. In particular, they are responsible for completing a registration form and submitting it to

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<sup>15</sup> Guidance for candidates to voluntarily declare their interests was published before the last parliamentary general election in 2010. Decisions have not yet been taken on whether to repeat the exercise for future elections.

the Registrar of Members' Financial Interests (House of Commons) and the Registrar of Lords' Interests (House of Lords), respectively, within one month of taking their seats. Thereafter it is the responsibility of Members to keep their entries up-to-date and to report any change in their registrable interests within four weeks of the change occurring. In each House there is a Registrar available to answer Members' questions about registrable interests.

40. The main purpose of the Register is to give public notification on a continuous basis of those financial interests/material benefits held by Members which might be thought to influence their parliamentary conduct or actions. The twelve categories of financial interests that require registration are set forth in guidance for both Houses (Table 1) and extend to family members, as applicable (Table 2). Certain categories of financial interests are still subject to threshold values before triggering registration (see also Table 3). For example, there are no limitations on the number or value of company shares, bonds and notes which can be held by Members of Parliament as long as they are reported when their value reaches a certain threshold.

**Table 1-Categories of Registrable Interests**

Category	House of Commons	House of Lords	National Assembly for Wales	Northern Ireland Assembly	Scottish Parliament
Directorships	✓	✓	✓	✓	✓
Remunerated employment/ Remuneration received from companies tendering for/ providing services to the assembly	✓	✓	✓	✓	✓
Clients	✓	✓	✓	✓	
Sponsorships	✓	✓	✓	✓ <sup>16</sup>	
Gifts, benefits and hospitality	✓	✓	✓	✓	✓
Overseas visits	✓	✓	✓	✓	✓
Overseas benefits and gifts	✓	✓		✓	
Land and property	✓	✓	✓ <sup>17</sup>	✓	✓ <sup>18</sup>
Shareholdings	✓	✓	✓	✓	✓
Controlled transactions (loans and credit arrangements)	✓	✓		✓ <sup>19</sup>	
Miscellaneous (any relevant interests, not falling within one of the above categories)	✓	✓		✓	
Family members employed through parliamentary expenses	✓		✓	✓ <sup>20</sup>	✓ <sup>21</sup>
Paid or unpaid membership to body funded by the assembly <sup>22</sup>			✓		
Elected/public office				✓	

<sup>16</sup> This category is headed as "electoral support and political donations".

<sup>17</sup> There is an exemption from registration for land and property used for the personal residential purposes of the Member, Member's spouse or dependent children.

<sup>18</sup> This category is headed as "heritable property".

<sup>19</sup> These details shall be registered under the category of "electoral support and political donations."

<sup>20</sup> In Northern Ireland, this category applies not just to those family members who are employed through the Assembly's Office Cost Expenditure but also to those who benefit in any way (e.g. those who are paid for the provision of any good or service).

<sup>21</sup> The Scottish Parliamentary Corporate Body decided in 2011 that no new arrangements regarding family members could be entered into, but that existing arrangements could continue until the next Scottish Parliament election, at that time scheduled for 2015. Thereafter, there would be no employment of family members. Any existing arrangements must be declared in the public register set up for that purpose.

<sup>22</sup> Please note that these can be registered under either "Miscellaneous" or "Non-financial interest" categories in other assemblies.

Non-financial interests (e.g. unremunerated directorships, membership of public bodies such as hospital trusts, acting as office-holder or trustee in pressure group, trade union, NGO, etc.)		✓	✓	✓	
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**Table 2-Categories of Interests of Relatives requiring registration**

Category	House of Commons	House of Lords	National Assembly for Wales	Northern Ireland Assembly <sup>23</sup>	Scottish Parliament
Directorships			Spouse or dependent children		
Remunerated employment			Spouse or dependent children		
Clients			Spouse or dependent children		
Gifts, benefits and Hospitality	Spouse and any other person with or on behalf of themselves	Spouse	Spouse or dependent children	Spouse	
Overseas visits	Spouse	Spouse	Spouse or dependent children	Spouse or dependent children	
Overseas benefits and gifts	Spouse and any other person with or on behalf of themselves	Spouse		Spouse or dependent children	
Land and Property	Spouse	Spouse	Spouse or dependent children	Jointly owned <sup>24</sup>	
Shareholdings	Held with or on behalf of spouse, partner or dependent children	Held with or on behalf of the members' Spouse or dependent children	Spouse or dependent children	Held with or on behalf of the members' spouse or dependent children	
Paid or Unpaid Membership to body funded by the assembly			Spouse or dependent children		
Remuneration received from companies tendering for providing service to the assembly			Spouse or dependent children		

\* Note: spouse is also understood as partner of a Member.

<sup>23</sup>It is only those gifts, benefits or hospitality (including visits) received by the spouse/or dependent children of the Member, which relate to the Member's membership of the Assembly or political activity.

<sup>24</sup> There is an exemption for land and property used for residential purposes by the Member, Member's spouse or dependent children.

**Table 3-Registration Thresholds**

<b>Category</b>	<b>House of Commons</b>	<b>House of Lords</b>	<b>National Assembly for Wales</b>	<b>Northern Ireland Assembly</b>	<b>Scottish Parliament</b>
Annual salaries as of 1 January 2012 <sup>25</sup>	£65,738		£53,852	£43,101	£57,520
Directorships	Over 0.1% of salary (£66) <sup>26</sup>	All		0.5 % of salary (£215.5)	1 % of salary (£575.2)
Remunerated employment	Over 0.1% of salary (£66)	Over £1,000 per annum		0.5 % of salary (£215.5)	1 % of salary (£575.2)
Sponsorships	Over £1,500. in donations of over £500	£500	Exceeding 25% of the candidate's total election expenses	£1,000	
Gifts, benefits and Hospitality	Over 1 % of salary (£660)	£500	0.5 % of salary (£269.26)	0.5 % of salary (£215.5)	1 % of salary (£575.2)
Overseas visits	Over 1 % of salary (£660)	£500		0.5 % of salary (£215.5)	
Overseas benefits and gifts	Over 1 % of salary (£660)			0.5 % of salary (£215.5)	
Land and Property	Value greater than the current parliamentary salary (£66,000) or Income greater than 10 % of the current parliamentary salary (£6,600)	Has a capital value of more than £250,000- from which an income of more than £5,000 a year is derived	Value greater than the current parliamentary salary (£53,852) or Income greater than 10 % of the current parliamentary salary (£5,385.2)	Value greater than the current parliamentary salary (£43,101) or Income greater than 10 % of the current parliamentary salary (£4,310)	50 % of salary (£28,760)
Shareholdings	Greater than the 15 % of the issued share capital of the company or 15% or less of the issued capital, but greater than the current parliamentary salary (£66,000)	Amounting to a controlling interest or not amounting to a controlling interest but exceeding £50,000 in value	With a market value less than 1 % of the issued share capital where the value of those shareholdings exceed 50% of the basic gross annual salary (£26,926)	The nominal value of the shares is greater than 1 % of the total nominal value of the issued share capital or the market value or the shares exceeds 50 % the current salary of an assembly member (£21,550)	The nominal value of the shares is greater than 1 % of the total nominal value of the issued share capital or the market value of the shares exceeds 50 % (£28,760) the current salary of an assembly member
Controlled Transactions	Loans over £1,500	Loans over £500 (on terms not generally available to members of the public)			

<sup>25</sup> All figures in parenthesis are calculated on the basis of annual salary levels in 2012.

<sup>26</sup> Payments of £66 or less become registrable if in that calendar year the Member receives over 1% of the parliamentary salary (£660) from a single source. As per Resolution of 30 April 2009, amended on 7 February 2011 (<http://www.publications.parliament.uk/pa/cm201011/cmvote/vp110207.pdf>).

Category	House of Commons	House of Lords	National Assembly for Wales	Northern Ireland Assembly	Scottish Parliament
Miscellaneous		£500			
Family members employed through parliamentary allowances <sup>27</sup>	1 % of salary (£660)			0.5 % of salary (£215.5)	
Elected/Public Office				0.5 % of salary (£215.5)	

41. In the GET's view, the thresholds for reporting financial holdings are high. For example, an MP could have an investment of £60,000 (approximately 76,000 EUR) in each of 10 mobile phone service providers and none would appear on his or her registration statement under the category of shareholdings. The authorities argue that in spite of the thresholds for reporting financial holdings the Member would be expected, firstly, to abide by the general obligation upon Members to keep the overall definition of the Register's purpose (openness) in mind when registering their interests; if certain interests do not fall clearly into one of the specified categories, Members are nevertheless expected to register such interests under "miscellaneous". In addition, the Member would be required to declare an interest in the industry before engaging in parliamentary activities affecting mobile phone service providers according to the rules on declaration. That however, would give the public little or no notice of the interest before the Member acted and the purpose of the Registers is to give public notice of those interests which might be thought to influence a Member's conduct. The GET takes account of these arguments, but is not fully convinced that these are sufficient, and efficient, safeguards for openness and transparency of a Member's financial interests, not only in theory, but also in practice. The GET notes that the high threshold for reporting these types of interests (as opposed to remunerated services) reflects a policy priority on registering interests where actual payments are involved (earned income, lobbying for a fee, and expenses), rather than investments. However, the GET is of the view that a Member may be more influenced by the effect of a matter on his/her stocks than by the receipt of a payment for a speech. **GRECO recommends that consideration be given to lowering the thresholds for reporting financial holdings (such as stocks and shares). The devolved institutions of Scotland, Wales and Northern Ireland should be invited similarly to take action in accordance with the recommendation.**

42. The GET did not come across evidence suggesting any general or systemic difficulties in adherence to the rules on the registration of financial interests in the devolved institutions of Scotland, Wales and Northern Ireland. The rules on the registration of non-financial interests (e.g. membership of professional bodies, trade unions and other organisations) differ: provision has been made in Wales and Northern Ireland to register a range of non-financial interests; Scotland has the least onerous requirements with respect to non-financial interests which, as in Westminster, are only subject to voluntary registration (for a comparative overview of registration requirements, see also the tables included above). Another notable difference, as compared to the system in Westminster, is that the responsible Commissioners in the devolved institutions do not have any role with respect to the creation and maintenance of the respective register of interests.

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<sup>27</sup> The requirement to register family members applies not just to those family members who are employed through the Assembly's Office Cost Expenditure but also to those who benefit in any way (e.g. those who are paid for the provision of any good or service). They are also registered with IPSA.