



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

Room G/7, 1 Horse Guards Road, London SW1A 2HQ

Telephone: 020 7271 0839

Email: acoba@acoba.gsi.gov.uk

Website: <http://acoba.independent.gov.uk>

Sir Nicholas Macpherson
Permanent Secretary
HM Treasury
1 Horse Guards Road
SW1A 2HQ

September 2013

BUSINESS APPOINTMENT APPLICATION: MICHAEL ELLAM

The Committee has been asked to consider an application from Michael Ellam, Director General at HM Treasury. He is seeking permission to accept an appointment as a Managing Director at HSBC, with responsibility for relationships with senior clients.

When considering this application, the Committee noted that Mr Ellam's role at the Treasury has focused on international economic policy, rather than banking transactions. The Committee took into account the fact that Mr Ellam has been responsible for financial sanctions and anti-money laundering policy, but that he has not had responsibility for the application of these regulations to individual firms, and his new role would not involve responsibility for any regulatory matters that affect HSBC directly.

The Committee considered that Mr Ellam has had access to commercially sensitive information about financial services policy, but that this has been of a general rather than specific nature, and largely related to negotiating positions on particular EU directives.

The Committee considered the fact that Mr Ellam has had official contact with HSBC, but that this has been limited. They noted that his contact with competitors of HSBC has been to understand their general views on the global economy and international regulatory matters, and that he has not been involved in the provision of grants or contracts, or in applying regulations to specific companies. The Committee noted that Mr Ellam has been kept informed about the restructuring of RBS and Lloyds, but that he has had no active involvement in this.

The Committee took into account that Mr Ellam has had no contractual dealings, and has not been responsible for people who have had contractual dealings, with his prospective employer during his last two

years of service. Furthermore, it considered that the policy he has been involved with has applied to the entire banking sector and has not been specifically aimed at HSBC.

The Prime Minister has accepted the Committee's recommendation that this application be approved subject to the following conditions:

- a waiting period of 12 weeks from his last day in service;
- Mr Ellam should not draw on privileged information available to him as a Crown servant, including commercially sensitive information about the restructuring of Lloyds and RBS; and
- for two years from his last day of service, Mr Ellam should not become personally involved in lobbying the UK Government on behalf of his new employer, its parent company or its clients.

The Business Appointment Rules define lobbying in the following way: "Lobbying in this context means that the former civil servant should not engage in communication with Government – including Ministers, special advisers and officials – with a view to influencing a Government decision or policy in relation to their own interests, or the interests of the organisation by which they are employed, or to whom they are contracted".

I should also be grateful if you could ensure that we are informed as soon as Mr Ellam takes up the employment with HSBC, or if it is announced that he will do so (I enclose a form for this purpose). We shall otherwise not be able to deal with any enquiries, since we do not release information about appointments which have not been taken up or announced, and this could lead to a false assumption being made about whether he complied with the rules.

Once the appointment has been publicly announced or taken up, we will publish this letter on the Committee's website and include the main details of the application, together with the Advisory Committee's advice, in the regularly updated consolidated list on our website and in the next annual report.

Yours sincerely



Catherine Millington
Committee Secretariat