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Summary

5 I opened an inquiry on 13 April 2023, after receiving a complaint that The Rt Hon. Rishi Sunak MP had failed to declare a relevant interest when giving evidence to the Liaison Committee on 28 March 2023, contrary to Rule 6 of the 2023 Code of Conduct ("the Code").

It was alleged that, when discussing the Government's financial incentive scheme for people joining the childminding workforce, Mr Sunak failed to declare that his wife, Ms Akshata Murty, held shares in one of six childminding agencies selected by the Government to provide its new members with an enhanced financial incentive.

10 I sought comments from Mr Sunak who said that he had declared the interest on the Ministerial Register. Mr Sunak added that he had received advice from three independent advisers on the matter and had been told that Ms Murty's shareholding did not meet the test of relevance to require publication on the List of Minister's Interests.

15 I reviewed the information available to me and concluded that, in accordance with the Code, Ms Murty's shareholding was a relevant interest that should have been declared during the Liaison Committee meeting on 28 March 2023.

20 During a meeting with Mr Sunak on 30 June 2023 I acknowledged that he may not have been aware of Ms Murty's shareholding at the time of the Liaison Committee meeting, but he had a duty to correct the record. However, Mr Sunak was aware of the interest when he subsequently wrote to the Chair of the Liaison Committee, Sir Bernard Jenkin MP, on 4 April 2023, and he failed to declare the interest at that stage or correct the record.

25 I was satisfied that Mr Sunak had confused the concept of registration (whether in the Register of Members' Financial Interests or under separate arrangements made for Ministers) with the concept of declaration of interests under paragraph 6 of the Code and Chapter 2 of the Guide to the Rules relating to the Conduct of Members. I formed the view that the failure to declare arose out of this confusion and was accordingly inadvertent on the part of Mr Sunak. In view of this, I decided to
30 conclude my inquiry by way of the rectification procedure available to me under Standing Order No. 150.

Daniel Greenberg CB

Parliamentary Commissioner for Standards

23 August 2023

Resolution Letter: The Rt Hon. Rishi Sunak MP

5 I wrote to you on 13 April 2023 to tell you that I had begun an inquiry into your allegation that, by failing to declare in interest during the Liaison Committee on 28 March 2023, The Rt Hon. Rishi Sunak MP had breached rule 6 of the Code of Conduct for Members.

10 Having considered the information available to me, I have decided that the breach of the Code appears to have been inadvertent and that this inquiry should be concluded through the rectification procedure, available to me through House of Commons' Standing Order No. 150.

The full rationale for my opinion can be found in the written evidence pack, which you can access once it is published.

15 I will publish my opinion and the written evidence pack shortly on my webpages and I will report the outcome to the Standards Committee in due course.

20 Thank you for bringing this matter to my attention. I confirm that the matter is now closed.

23 August 2023

Written evidence

1. Letter from the complainant to the Commissioner, 30 March 2023

I am writing to highlight concern relating to a potential breach of the House of Commons Code of Conduct and Registers in relation to the Prime Minister.

5 At the Liaison Committee hearing on 28 March 2023, I questioned the Prime Minister relating to the Government's extension of the free childcare entitlement.

I highlighted incentive payments that the Government has offered to people signing up as new childminders. The Government's offer is for a £600 bonus if an individual signs up as a new childminder, or a doubled bonus of £1,200 if they join the profession through one of six childminder agencies advertised and hyperlinked to on the Government's website.

10

(www.gov.uk/government/publications/childminder-agencies-list-of-agencies/list-of-childminder-agencies&https://www.gov.uk/government/publications/spring-budget-2023-labour-market-factsheet/spring-budget-2023-factsheet-labour-market-measures).

15

The official transcript of the exchange is below:

Catherine McKinnell: *That is one of the only measures that the Government have suggested to increase the workforce. The other one is increasing the number of childminders. Can you explain why the Government have chosen to give a £600 bonus if you sign up as an individual as a childminder, but if you go through one of six private childcare agencies, you get a £1,200 bonus - a double bonus? Can you explain the logic behind that?*

20

The Prime Minister: *I think this has been designed in consultation with the sector to ensure that it is effective.*

25 **Catherine McKinnell:** *With the six childcare agencies?*

The Prime Minister: *As I said, I think it has been designed with the sector. I am happy to get back to you.*

Catherine McKinnell: *There are only six childcare agencies, and they are advertised on the Government's website. What conversations have the Government had with those agencies about the proposals?*

30

The Prime Minister: *I will happily write back to you and the Committee on exactly what conversations are had, and the rationale for that policy.*

Catherine McKinnell: *What is the rationale for the use of taxpayers money to give double bonuses to sign with private agencies rather than through the current system?*

The Prime Minister: *I think it is a reflection of the fact that it is through intermediaries, so there are additional costs. Ultimately, we just want to make sure that the policy is effective in bringing additional people into the system.*

Catherine McKinnell: *There is nothing that the Prime Minister wishes to declare in respect of that?*

The Prime Minister: *No. All my disclosures are declared in the normal way.*

10 The reason I raised this with the Prime Minister is that the Prime Minister's wife appears to have a financial interest in one of the six agencies, Koru Kids, set to directly benefit from both the incentivising policy and from being listed and hyperlinked to the Gov.uk website. The shareholding is registered on Companies House on the Koru Kids statement dated 6 March 2023 (<https://find-and-update.company-information.service.gov.uk/company/10047637/filing-history?page=1>).

15
20 As outlined in the House of Commons Guide to Procedure, declaring and registering interests, Members of Parliament are expected to draw '*attention to registered or unregistered interests on almost any occasion when someone else might consider them to influence what you say or do*' and that that '*includes not just registered interests but the interests of partners and family members and past interests up to one year old*'.

25 I would be grateful for clarification as to whether the lack of declaration in this instance has resulted in a breach of the guidance. As you will note from the transcript, I specifically gave the Prime Minister the opportunity to declare the interest relating to a company that will potentially benefit from the policy in which it appears his family have a financial interest. Given he declined, I sought to ensure that he was notified through the Chair, privately, that a declarable interest may have arisen, however he also declined this opportunity to put any interest on the record.

30 In relation to the Prime Minister's response that "*All my disclosures are declared in the normal way*", I understand that he may be referring to the List of Ministers' Interests, last published in May 2022, referring to his wife's interest in Catamaran VC only (<https://www.gov.uk/government/publications/list-of-ministers-interests-may-20220html>). Companies House records show that Ms Murty had shares in Koru Kids at the point of publication. I understand the next register is due to be published in May 2023. I have been unable to find any other public record or declared financial interests relating to the Prime Minister or his family, and specifically in relation to Koru Kids, and therefore am unsure as to how he can claim

35
In response to questions from the i Newspaper following the Liaison Committee hearing, the PM's spokesperson said: "*all interests are declared in the usual way*" and

that it was for the Prime Minister's independent ethics adviser and the Cabinet Office's Propriety and Ethics Team to decide if there are any conflict of interests". (<https://inews.co.uk/news/politics/rishi-sunak-didnt-wife-shareholder-childcare-agency-budget-policy-2239659>). I find this surprising that the Prime Minister would have a separate and seemingly lower standard of transparency than other MPs.

I would be grateful for your guidance on this matter and clarification as to whether a declarable interest has arisen in relation to Ms Murty's interest in one of the six private companies set to benefit from the incentive payments proposed in the Spring Budget, whether this should have been declared by the Prime Minister both in general and when commenting on the policy, and if such breached have occurred, what action will be taken.

30 March 2023

2. Letter from the Commissioner to The Rt Hon. Rishi Sunak MP, 13 April 2023

Following receipt of an allegation I have received from Catherine McKinnell MP about your compliance with rule 6 of the House of Commons Code of Conduct for Members, I have decided to open a formal inquiry. I enclose a copy of Ms McKinnell's submission.

20 The scope of my inquiry

My inquiry will focus on whether you have acted in breach of rule 6 of the House of Commons' Code of Conduct for Members through failing to declare your wife's interest in Koru Kids Ltd. when giving evidence to the Liaison Committee on 28 March 2023. If the scope of my inquiry changes, I will update you in writing.

The relevant rules of the House

The overarching rules are found in the House of Commons' Code of Conduct for Members. Rule 6 of the Code states:

"Members must always be open and frank in declaring any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders."

The Guide to the rules relating to the conduct of Members, which is appended to the Code, contains more detail about declaration. Chapter 2, states:

"2. The declaration of interests ensures that Members, the public and others are made aware at the appropriate time, in proceedings of the House and on other occasions, of any interest relevant to those proceedings or to the actions or words of a Member. The requirement to declare an interest complements the registration requirements and

applies from the time the House first sits after the Member is elected and to almost every aspect of a Member's parliamentary duties. It covers a broader range of interests than registration...

5 *5. Members are required, subject to the paragraphs below, to declare any financial interests which satisfy the test of relevance, including: ...*

b) indirect financial interests, such as the financial interests of a spouse or partner, or another family member, if the Member is aware or could reasonably be expected to be aware of that interest.

10 *6. The test of relevance is whether those interests might reasonably be thought by others to influence his or her actions or words as a Member."*

Next steps

15 I would welcome your comments on the allegation that your alleged actions have amounted to a breach of rule 6 of the Code of Conduct for Members. I would also be grateful for your answers to the following specific questions:

- (1) Are you aware of the requirement to declare any financial interests, including indirect financial interests that meet the test of relevance?
- 20 (2) Please outline why you did not declare your wife's interest in Koru Kids Ltd. when giving evidence at the Committee.
- (3) Please explain why, when asked by Ms McKinnell whether you had anything to declare in this matter, you did not declare you wife's interest in Koru Kids Ltd.
- 25 (4) Please provide your comments on Ms McKinnell's assertion that you were subsequently privately asked by Sir Bernard, as Chair of the Committee, whether you had anything to declare in this matter.
- (5) Do you, on reflection, consider that you should have declared this interest?

30 It would be helpful to receive any evidence to support your responses when you reply to this letter. Any other points you wish to make to help me with this inquiry would also be welcome.

Important information

35 My inquiries are conducted in private. However, following the decision taken by the House on 21 April 2021, I will shortly publish on my webpages the fact that I am conducting an inquiry about your alleged breach of the Code of Conduct. If

contacted, my office will not comment on any aspect of this specific inquiry to third parties. They will answer direct factual questions about the processes I follow, and the standards system more generally, but will not provide any comment or details about the particulars of this inquiry.

5

This letter and any subsequent correspondence between us in connection with this inquiry is protected by parliamentary privilege. It should be kept confidential until the outcome of my inquiry is published. The same requirement extends to Ms McKinnell.

10

The Members' Services Team (MST) can support and signpost you and/or your staff to appropriate support services. You can contact them confidentially [details redacted] for a range of issues, including support with handling the impact of media attention.

15

Procedure

20

Please see the [Procedural Protocol in relation to the Code of Conduct](#), which was approved by the House on 18 October 2022. This sets out detailed information about the House's standards procedures, including the procedure I follow.

25

While I do not, at this stage, know whether it will be necessary to interview you about this matter, it would be open to you to be accompanied at any such interview. I am, of course, very happy to meet with you at any stage if you would find that helpful.

30

I should say now, as a matter of courtesy, that I may seek the advice of the House authorities and others as part of this inquiry. If I do so, I will share that correspondence with you.

35

Potential outcomes

Inquiries are generally concluded in one of three ways.

40

(1) If the evidence does not substantiate the allegation, I will report that I consider there has been no breach of the Code. If the allegation is particularly serious or the investigation raises matters of wider interest or relevance, I may decide nevertheless to submit a memorandum to the Committee on Standards, which the Committee will consider and then submit its own report to the House.

45

(2) If the evidence demonstrates a breach of the rules, I may, in circumstances defined by Standing Order No. 150, report that I consider there has been a breach of the Code, and conclude the inquiry using the rectification procedure, without making a referral to the Committee on Standards.

For inquiries that either result in a not upheld outcome or a rectification of the breach of the Rules, the investigation material, including our correspondence, will be published on the Parliament website, and the Committee will be notified.

- 5 (3) If I consider there has been a breach of the Code, and
- it is either unsuitable for the rectification procedure; or
 - you do not accept my opinion that there has been a breach of the Code; or
 - you do not take (or do not agree to take) any remedial action required; or
- 10 • the investigation raises issues of wider importance

I must make a referral to the Committee on Standards. The Committee will then decide whether there has been a breach of the Code. My memorandum to the Committee will be published as an appendix to the Committee's own Report.

- 15 Regardless of the outcome of my inquiry, I must emphasise that all the relevant evidence, including our correspondence, will be published when this inquiry is concluded. I routinely redact the personal data of third parties unless it is relevant to my decision and/or opinion. Please tell me if you provide sensitive material that you think I should redact. I will consider carefully any such request.

20 **Action**

- I would be grateful to have your response to this letter as soon as possible and no later than Monday 24 April 2023. Please let me know before that date if you
- 25 require more time to respond.

- If you would prefer me to communicate with you by email, or via a different postal address, please give the details when you reply to this letter. It would also be helpful if you were willing to provide a telephone number through which I might
- 30 contact you. If you wish to nominate a point of contact, please provide their contact details.

- I would be grateful if you could send your response electronically to standardscommissioner@parliament.uk
- 35

Thank you for your cooperation with this matter.

13 April 2023

3. Letter from The Rt Hon. Rishi Sunak MP to the Commissioner, 24 April 2023

Thank you for your letter of 13 April 2023, enclosing the complaint from Catherine McKinnell MP. I will respond separately to your letter of 20 April 2023.

5 While of course I am disappointed to have been referred to the Commissioner, I welcome the opportunity to respond and to demonstrate that I have declared my interests in accordance with the Ministerial Code and the House of Commons Code of Conduct.

10 For the reasons set out below, I have not breached Parliamentary rules. The thrust of the complaint is that I failed to declare properly my wife's minority shareholding in Koru Kids Limited. This is incorrect. I have declared my interests to the Cabinet Office pursuant to the Ministerial Code. This includes, since 2019, my wife's minority shareholding in Koru Kids Limited. Three Independent Advisers have determined that my wife's shareholding does not meet the relevance test to require full publication on the List of Ministers' Interests. My comments made during the 15 28 March 2023 Liaison Committee hearing and subsequent letter to the Chair, were and remain correct.

The Ministerial Code

20 Whilst I appreciate that the Ministerial Code is not enforced by the Commissioner,¹ and does not form part of the complaint, it is important for me to set out the process of declaration under this, given the interwoven nature of the two systems of declaration.

25 As with all Governmental Ministers, I am required to provide to the Cabinet Office a list which declares my, my spouse and my close family's interests following the process set out under Chapter 7.3 of the Ministerial Code.² This list and supporting confidential documentation is compiled and provided to the Independent Adviser on Ministers' Interests (Sir Laurie Magnus) to ensure that records are up to date. Where appropriate, Ministers are also required to meet the Permanent Secretary and the Independent Adviser (7.4 of the Ministerial Code).

30 The Independent Adviser will then determine which declarations meet the relevancy test for inclusion in the List of Ministers' Interests. As made clear by the Independent Adviser, "[t]he list is not a register of interests and does not therefore include every interest that a minister has declared in relation to themselves and their family members".³ The test of relevance is those declarations "*which are, or may be* 35 *perceived to be, directly relevant to a minister's ministerial responsibilities*".⁴ The Independent Adviser has further clarified that for spousal interests, only those that

¹ Paragraph 14 of The Guide to the Rules relating to the Conduct of Members and 19(e) of the Code of Conduct: Procedural Protocol

² <https://www.gov.uk/government/publications/ministerial-code/ministerial-code>

³ List of Ministers' Interests published 19 April 2023

⁴ List of Ministers' Interests published 19 April 2023, Introduction, paragraph 5

are “*directly and significantly relevant*” will be included in the List.⁵ I have no oversight of this decision-making process. The requirements for Ministers to register their interests are stricter than those imposed on Members of Parliament: they must “*scrupulously avoid any danger of an action or perceived conflict of interest*”.⁶ There are important public policy reasons for this additional scrutiny,
5 given the position of governance which Ministers hold.

During the period in which there was no Independent Adviser, the process of managing the interests of Ministers continued. As set out in the forward to the recently published List: “[*t*]he permanent secretary, as the policy expert on each
10 department’s remit, led the process in their department and the Cabinet Office was also able to provide advice in line with precedent.”⁷

In conformity with the Ministerial Code, since 2019 I included amongst my other declarations my wife’s minority shareholding in Koru Kids Limited. I am informed that this shareholding equates to around 1% of the shareholding of the company.
15 My wife is *not* a director, *nor* a person with significant control, *nor* the ultimate beneficial owner of the company. She has no decision-making role in the company.

Both the previous Independent Advisers (Lord Geidt and Sir Alex Allan) determined that my wife’s shareholding in Koru Kids Limited was not a specifically publishable or disclosable interest i.e., it did not and does not meet the relevancy test. This
20 follows their consideration of all the facts and confidential information which I have provided over the years, in accordance with 7.5 of the Ministerial Code.

The most recent List of Minister’s Interests was published on 19 April 2023, under Sir Laurie Magnus CBE. This List confirms the continuing determination of the Independent Adviser that the shareholding in this company still does not require
25 separate inclusion in the register itself, notwithstanding the recently announced childcare policy discussed below, i.e., it is not, nor may it be perceived to be, relevant to my Ministerial responsibilities. I note a footnote has been included which refers to my letter to the Chair of the Liaison Committee, given that this is public information. My wife’s interest in Catamaran Ventures UK Limited (as director) is
30 published as a declaration in the List.

The House of Commons Code of Conduct

Separately, as a Member of Parliament I am obliged to declare interests in accordance with the House of Commons Code of Conduct⁸ (the Code). The Code sets out that Members must declare financial interests within nine categories of the
35 Register of Members’ Financial Interests.⁹ Though there is some overlap between

⁵ List of Ministers’ Interests published 19 April 2023, Guide to the Categories of Interest, paragraph 7

⁶ Ibid

⁷ List of Ministers’ Interests published 19 April 2023 Introduction, paragraph 7

⁸ Ibid

⁹ <https://www.parliament.uk/mps-lords-and-offices/standards-and-financial-interests/parliamentary->

the two, the Ministers' List typically covers long-term relationships and employment interests rather than gifts of a particular financial value.

My wife's minority shareholding in Koru Kids Limited does not fall within any of these nine categories.

- 5 It is not my shareholding nor am I a joint shareholder nor am I holding the shares on behalf of my spouse. It also does not meet the tests of relevance or influence as set out at paragraph 54 d) and/or e) of The Guide to the Rules relating to the Conduct of Members. There has been no breach of the registration rules within the Code, nor has such been suggested.
- 10 I am aware that the obligations upon Members to declare interests does not begin and end with the Register of Members' Financial Interests. As you have drawn attention to, Rule 6 of the Code requires Members to declare interests which are relevant, and which could influence a Member. The test of relevance in the Code are those interests which "*might reasonably be thought by others to influence a member's*
- 15 *actions, speeches or votes in Parliament, or actions taken in his or her capacity as a Member of Parliament.*"¹⁰ This is a narrower test than that set under the Ministerial Code, with a focus on the likelihood of "*influence*" upon Members' actions or words.

The Liaison Committee hearing on 28 March 2023

- 20 Ms McKinnell's complaint appears to relate to my appearance before the Liaison Committee hearing on 28 March 2023, and accordingly the relevance test must be considered in this context.

As Prime Minister, I appear before the Liaison Committee usually three times a year. Questions may be asked in relation to the work of all Government departments, and I am not provided with the specific questions in advance. At the hearing on 28 March

25 2023, I was asked 110 questions over two hours as set out in the 39 page full transcript, including on topics relating to healthcare spending, NHS wait times, inflation, public sector pay, HS2, overseas aid budgets, defence spending including the war in Ukraine, migration, trade deals following Brexit, the Good Friday agreement and the Windsor Framework.¹¹

- 30 Ms McKinnell MP raised a question about the Childminder Grants Scheme; a policy announced by the Chancellor of the Exchequer on 15 March 2023 within the 2023 Budget (the Policy).

[commissioner-for-standards/registers-of-interests/register-of-members-financial-interests/](https://publications.parliament.uk/pa/crn5803/crncode/1083/1083.pdf)

¹⁰ <https://publications.parliament.uk/pa/crn5803/crncode/1083/1083.pdf> (See Page 10, Paragraph 5 of the Guide)

¹¹ <https://committees.parliament.uk/committee/103/liason-committee-commons/publications/oral-evidence/>

When questioned by Ms McKinnell MP, I confirmed that my interests had been declared in the normal way. As part of my usual follow up letter to the Chair of the Committee, Sir Bernard Jenkin MP, I provided further information on this particular matter (amongst others) “*for the Parliamentary record that this interest has rightly*
5 *been declared to the Cabinet Office.*” On 18 April 2023 a copy of the letter was published on the Liaison Committee correspondence page¹² (as is the usual course). A copy is also enclosed.

The test of relevance and influence

10 In brief, my wife’s shareholding in the company is (a) not relevant to my role (as determined by the Independent Adviser); (b) as a matter of fact did not influence any of my actions as either Minister or Member and (c) could not be reasonably thought by others to have done so.

15 I have not participated in any department decision-making processes for the Policy. I did not receive advice on the Policy as Prime Minister nor as a Member of Parliament in preparation of the Budget.¹³ Nor did I attend any Ministerial or Department meetings in advance of the Budget to discuss the mechanics of the scheme, nor the childminding agencies to be referenced on the Government Website.¹⁴ When responding to Ms McKinnell MP, I was not aware of a connection between the Policy and the company.

20 It follows that my wife’s interest in Koru Kids Limited, which I have declared, does not meet the test of relevance and influence as prescribed by Rule 6. The interest therefore did not, and does not, require a further declaration in addition to my declarations to the Independent Adviser.

Inaccuracies within the complaint

25 With respect, Ms McKinnell’s letter to you contains misunderstandings of the regime relating to Ministerial interests. It is incorrect to assert that I did not declare my wife’s shareholding, simply because it does not appear in the List of Ministers’ Interests. It is incorrect to assert that the requirements for Ministerial declarations of interests are of a “*lower standard*” than those for other Members. It is incorrect
30 that I was required to make a further declaration during the Liaison Committee hearing. It is also untrue that I was asked by Sir Bernard Jenkin privately whether I had anything to declare in relation to this matter.

¹² <https://committees.parliament.uk/committee/103/liaison-committeecommons/publications/3/correspondence/>

¹³ At the end of the Budget process, amongst a set of meeting papers was a final Budget scorecard. One of the around 100 line items was one entitled “DFE: childminder grants; £3m; £5m”. This was the limit of the information provided and it was not discussed.

¹⁴ <https://www.gov.uk/government/publications/childminder-agencies-list-of-agencies>

Questions posed in your letter

Responding to each of your questions in turn.

- (1) I am fully aware of the requirement to declare any financial interests, including indirect financial interests that meet the test of relevance.
- 5 (2) I declared my wife's interest in Koru Kids Limited to the Cabinet Office, in accordance with the process set out at Chapter 7 of the Ministerial Code.
- 10 (3) On 28 March 2023 I confirmed verbally to Catherine McKinnell MP that I had declared all interests in the normal way (i.e., in accordance with processes set out by the Ministerial Code and the Code). I subsequently sent a letter to Sir Bernard Jenkin which provided further information on my declaration.
- 15 (4) This is untrue. I was not privately asked by Sir Bernard Jenkin whether I had anything to declare. As is the standard approach for Liaison Committees hearings, I sent a follow up letter to provide information on the areas that I said I would follow up on in writing.
- (5) I did declare this interest, following the specific process set out by Chapter 7 of the Ministerial Code.

The process for declarations

20 I sense that there is some media (and therefore public) confusion about the overlapping declaration obligations of Ministers who are also members of the House of Commons. This is pursuant to the Ministerial Code, and the separate obligations of declarations for Members of the House of Commons in accordance with the Code.¹⁵

25 This understandable confusion is caused by the duplicative reporting obligations for Ministers and Members of Parliament. In my view this should be addressed and I would endorse further consideration of your own remarks, as reported in the press for "“some relatively modest structural changes” . . . [h]aving two systems. . . causes confusion or even suspicion.”¹⁶

30 As part of my commitment to open governance, I have asked the Cabinet Secretary to make himself available to you or the House of Commons Committee on Standards for a follow up conversation on the process for declarations.

¹⁵ <https://publications.parliament.uk/pa/cm5803/cmcode/1083/1083.pdf>

¹⁶ <https://www.thejc.com/life-and-culture/all/meet-daniel-greenberg-the-orthodox-jew-policing-parliament-3fp9FkF2DmntiOPj2UPIFL>

I hope that the above information is sufficient to satisfy your enquiries but please do let me know if I can be of any further assistance.

24 April 2023

4. Letter from the Commissioner to The Rt Hon. Rishi Sunak MP; 22 May 2023

5 Thank you for your letter of 24 April 2023. Having reviewed it, I now have sufficient information to consider whether you failed to declare an interest, namely your wife's shareholding in Koru Kids Ltd. when giving evidence to the Liaison Committee on 28 March 2023 and therefore breached Rule 6 of the Code of Conduct ("the Code"). I will write separately about the confidentiality aspect of my inquiry.

10 My decision

I have considered our correspondence, the published rules and guidance on the declaration of interests, and advice from the Registrar of Members' Financial Interests. It is my view that you should have declared your wife's interest in Koru Kids Ltd. to the Liaison Committee on 28 March 2023 and that by failing to do so you
15 breached Rule 6 of the Code.

For the reasons outlined below, I do not intend to refer this matter to the Standards Committee for consideration. Instead, I have decided that this matter may be concluded using the rectification process provided by Standing Order No. 150.

The House of Commons Code of Conduct and Guidance

20 The overarching rules are found in the House of Commons' Code of Conduct for Members. Rule 6 of the Code states:

25 *"Members must always be open and frank in declaring any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders."*

The Guide to the rules relating to the conduct of Members, which is appended to the Code, contains more detail about declaration. Chapter 2, states:

30 *"2. The declaration of interests ensures that Members, the public and others are made aware at the appropriate time, in proceedings of the House and on other occasions, of any interest relevant to those proceedings or to the actions or words of a Member. The requirement to declare an interest complements the registration requirements and applies from the time the House first sits after the Member is elected and to almost every aspect of a Member's parliamentary duties. It covers a broader range of interests than registration."*
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...

5. Members are required, subject to the paragraphs below, to declare any financial

interests which satisfy the test of relevance, including:

5

...

b) indirect financial interests, such as the financial interests of a spouse or partner,

or another family member, if the Member is aware or could reasonably be

10

expected to be aware of that interest.

6. The test of relevance is whether those interests might reasonably be thought by others to influence his or her actions or words as a Member.

...

15

8. Subject to paragraphs 1 to 6 of this chapter, Members must declare a relevant interest:

...

(c) in select Committees:"

Advice from the Registrar of Members' Financial Interests

20

In accordance with my process, before starting my inquiry, I sought information from the Registrar of Members' Financial Interests ("the Registrar") and asked whether you had contacted him for advice on this matter, so I could determine whether the Safe Harbour provision applied in this case. I also asked the Registrar what advice he gave or would have given in those circumstances.

The Registrar said that:

25

"The attachment from Companies House does not list Mr Sunak as a shareholder; the shareholding is only in the name of Akshata Murty. Therefore, unless Mr Sunak held these shares with his spouse, he was not required to register an interest in Koru Kids Ltd.

...

I have looked back through our files and neither Mr Sunak nor his staff contacted the Registry Office in relation to Koru Kids Ltd. Therefore, the safe harbour provision does not apply in this case.

...

5 *From the information provided, Koru Kids limited is one of six companies that will benefit from the Government's scheme to increase the workforce in the childcare sector. The fact that Mr Sunak's wife had a shareholding in one of them would have led me to advise that the test of relevance is highly likely to have been met. Therefore, had he sought*
 10 *advice, we would have advised Mr Sunak to declare an interest in his wife's shareholding in proceedings relating to the scheme."*

Rationale

Your response to this complaint confuses the registration of interests and the declaration of interests. For example, you refer to the Cabinet Office list of interests under the Ministerial Code and what you describe as the "*interwoven nature of the two systems of declaration*" and the "*duplicative reporting obligations for Ministers and Members of Parliament*". You also refer to the Code as requiring Members to "*declare financial interests within nine categories of the Register of Members' Financial Interests*": but the categories in Chapter 1 of the Guide are about registration, not declaration – it is Chapter 2 which deals with declaration, and it expressly "*covers a broader range of interests than registration*".

When asked at the Liaison Committee meeting on 28 March 2023 if there was something you wished to declare, you informed Ms Catherine McKinnell MP that all your "*disclosures*" were "*declared in the normal way*". This appears to be a reference to the registration not the declaration of an interest.

You subsequently wrote to Sir Bernard Jenkin MP, the Chair of the Liaison Committee, on 4 April 2023, referring to the question about your wife's interest in Koru Kids Ltd. stating that "*this interest has rightly been declared to the Cabinet Office*". Again this appears to be a reference to the registration not the declaration of an interest.

Furthermore, your reply to me that "*it is incorrect to assert that I did not declare my wife's shareholding, simply because it does not appear in the List of Ministers' Interests ... I declared my wife's interests in Koru Kids Limited to the Cabinet Office, in accordance with the process set out at Chapter 7 of the Ministerial Code*", again appears to be a reference to the registration not the declaration of an interest.

The declaration of interests is entirely separate from registration. It is a requirement that, in the words of Rule 6 of the Code, "*Members must always be open and frank in declaring any relevant interest in any proceeding of the House or its Committees...*" (my emphasis). As paragraph 2 of Chapter 2 of the Guide explains,

the purpose of declaration is so that “*Members, the public and others are made aware, at the appropriate time, in proceedings of the House ..., of any interest relevant to those proceedings...*” (my emphasis).

5 The purpose of declaring an interest at the time of participating in a parliamentary proceeding is to acknowledge it publicly and thereby to dispel any suspicion that it is exerting some hidden influence on a Member’s parliamentary activity.

10 When the question of the Government’s scheme to increase the workforce in the childcare sector arose at the Liaison Committee meeting, the fact that your wife is a shareholder in one of the six childcare agencies specifically included on the Government website fell to be tested against the test of relevance in paragraph 6 of Chapter 2 of the Guide, “*whether those interests might reasonably be thought by others to influence his or her actions or words as a Member*”. I agree with the Registrar of Members’ Financial Interests that the test of relevance was met, and that your interest should have been declared.

15 You said that you did not participate “*in any department decision-making processes for the Policy*” and neither received advice on the Policy nor attended meetings to discuss its details or the identity of the agencies to be referenced on the Government website. Furthermore, you said that when responding in Committee you were “*not aware of a connection between the Policy and the company*”. Whilst I note your
20 comments, they are not relevant to the fact that an observer who was aware of the connection might reasonably have thought that it might influence your actions in discussing the policy with the Committee. You were being asked about a Government policy that directly benefits a company in which your wife was one of 50 shareholders: that is sufficient to amount to an interest that might reasonably be
25 thought by others to influence your participation in a Committee discussion about the policy, and it should have been declared.

30 (I note what you say about the nature of your wife’s interest in Koru Kids Ltd. in particular, that it is small percentage of the total shareholding and that your wife has no decision-making role in the company. As one of the 50 shareholders, however, she stands to benefit from any favourable treatment of the company by a Government policy, and in my opinion being one of only six childminding companies recognised by the Government’s financial incentive scheme is an interest that “*might reasonably be thought by others to influence [your] actions or words as a Member*”.)

35 (In your response you said that “*three Independent Advisers have determined that my wife’s shareholding does not meet the relevance test to require full publication on the List of Ministers’ Interests*” and that the shareholding “*does not fall within any of these nine categories*” (an apparent reference to the ten categories for registration of interests in Chapter 1 of the Guide). As explained above, whether or not an interest falls to be registered in the Ministerial register or in the Commons register is not
40 determinative of whether it satisfies the test of relevance for declaration in parliamentary proceedings in Chapter 2 of the Guide.)

You note that you were appearing before the Liaison Committee in your capacity as Prime Minister. Paragraph 6 of the Code and paragraph 2 of Chapter 2 of the Guide refer to participation by Members in proceedings of the House and its Committees. A Member may be called to participate in proceedings in a number of capacities: but that capacity will always be in addition to, and not instead of, the Member's capacity as a Member of the House, to whom the requirements of the Code apply.

Overall, I am satisfied that the failure to declare the interest was inadvertent insofar as it arose from your evident confusion between the registration and declaration of an interest. It is for that reason that I have decided that the most appropriate form of resolution of this complaint is through the rectification power given to me by Standing Order No. 150(4)(a).

Next Steps

Standing Order No. 150 makes provision for me to conclude an inquiry using the rectification process, rather than by making a referral to the Committee on Standards. The Committee would generally expect the Member to have acknowledged and apologised for their breach of the rules, and to have taken any steps necessary to rectify their breach.

In order to progress this through rectification, I will require the following from you:

- a) confirmation that you accept my opinion;
- b) acknowledgment that you have breached the rule on declaration;
- c) an apology for the breach; and
- d) an undertaking that you or your Chief of Staff will meet with the Registrar to discuss the Rules and the Guidance in order to clarify the differences between the registration and declaration of an interest.

If you are content for me to conclude the inquiry in this way, please write to me with the above information by **5 June 2023**.

If you agree to my proposal, I will share my written evidence pack with you, so that you can check its factual accuracy before publication. I will also report the outcome to the Committee on Standards in due course as a matter of routine.

Please note that if you do not accept my opinion and decision, you should tell me the reasons for that by reply. After which, in accordance with the process set out in the Procedural Protocol I will prepare a Memorandum to the Committee on Standards, so that they may consider the matter. I would give you the opportunity to see and

comment on a draft of the Memorandum, but the content of it would, in the final analysis, be for me alone.

5 In the meantime, our correspondence remains protected by parliamentary privilege and I ask you to maintain the strict confidentiality of the inquiry in accordance with paragraph 13 of the Code and Chapter 7 of the Procedural Protocol in respect of the Code of Conduct.

(I will respond separately on the general points in the final paragraphs of your letter on the alignment of the ministerial and House of Commons registers.)

10 I would be grateful if you could please send your response electronically to standardscommissioner@parliament.uk

22 May 2023

5. Letter from The Rt Hon. Rishi Sunak MP to the Commissioner, 31 May 2023

Thank you for your letter of 22 May 2023.

15 You state that you will respond to the final paragraphs of my 24 April 2023 letter separately.

20 However, I do believe that it is only right for me to await the full reasoning supporting your decision before I provide my substantive reply. I have in mind of course the points regarding the alignment of the Ministerial and House of Commons registers, given that I have declared all my interests to the Independent Adviser on Ministers' Interests.

Separately, and to confirm that I understand the partial reasoning within your letter correctly, I would be grateful for the following clarifications:

25 1. You state that "*whilst I note your comments, they are not relevant to the fact that an observer who was aware of the connection might reasonably have thought that it might influence your actions in discussing the policy with the Committee.*" In relation to this statement, please clarify:

30 1.1. whether on your interpretation of *Chapter 2, Paragraph 2 of The Guide to the Rules relating to the Conduct of Members*, additional public declarations to those made by Ministers to the Cabinet Office must always be provided when there may be a perception by others that the test of relevancy and influence is met (even if it is not);

1.2. why you consider it irrelevant that I did not know about the connection between the company (which the Committee also did not

specifically name) and the Policy when I responded to questions at the Liaison Committee hearing; and

5 1.3. what facts you consider that an observer is to be taken to be aware of, when assessing whether they might reasonably think that an interest might influence a Member's Parliamentary activity.

2. You further state that *"As explained above, whether or not an interest falls to be registered in the Ministerial register or in the Commons register is not determinative of whether it satisfies the test of relevance for declaration in parliamentary proceedings in Chapter 2 of the Guide."* In relation to this statement, please clarify:

10 2.1. the extent of the information provided to the Registrar of Members' Financial Interests when you sought their advice on the test of relevance; and

15 2.2. whether you consider that the fact that multiple Independent Advisers each determined that the interest does not bear the relevance to be included in the Ministerial List is of any significance in determining relevance under Chapter 2 of the Guide.

20 3. It would also be helpful to know whether you considered the guidance for the List of Minister's Interests which advises that care must be taken to avoid an *"excessive degree of intrusion into the private affairs of ministers that would be unreasonable, particularly in respect of their family members"* and whether similar considerations are made in respect of Member's declarations more generally.

In considering the above, you may find it helpful if I summarise the position set out within my correspondence:

25 a. I have declared all my interests to three Independent Advisers, followed their advice, and confirmed the same to the Liaison Committee. No previous Independent Advisors believed the interest reached the threshold for disclosure.

b. There is no conflict of interest for me in my wife's minority shareholding in Koru Kids Limited.

30 c. I was not part of any department decision-making process in respect of the Policy.

d. The name of the Company was not mentioned to me at the Liaison Committee hearing.

35 e. I did not know of the connection between the Company and the policy when responding to questions at the Liaison Committee

hearing and therefore I was simply not in a position to make a declaration had one been needed.

5 f. Finally, there are six Ofsted recognised childminding agencies in the UK accepting new registrations, all are included on the Government website for the policy; objectively, it cannot be said that any agency received favourable treatment in selection.

I look forward to receiving your response to the final paragraphs of my letter of 24 April 2023 and your clarifications on points 1 to 3 set out above, following which I will be in a position to provide my substantive response.

10 *31 May 2023*

6. Letter from the Commissioner to The Rt Hon. Rishi Sunak MP, 13 June 2023

Thank you for your letter of 31 May 2023.

15 It may help if I begin by summarising the position set out in my previous letter. The rules are very clear. Members must declare any relevant interest. That includes financial interests of a spouse of which the Member is aware or could reasonably be expected to be aware. The test of relevance is "*whether those interests might reasonably be thought by others to influence*" actions as a Member. When the question of childcare arose in the Liaison Committee, your wife's interest in a childcare company met the test of relevance and should have been declared whether
20 or not you knew of a specific link between the policy being discussed and the interest.

If you are able to agree with that analysis, please let me know by 20 June 2023 and I will be able to deal with this matter by way of rectification. Otherwise I will prepare a memorandum for the Committee.

25 With that in mind, let me address the specific issues in your letter.

The future alignment of the Ministerial and House of Commons Registers is a separate matter, and it would not be appropriate to discuss it as part of this inquiry. As I said in my earlier letter, I will contact the Cabinet Secretary on this point as you suggest.

30 You have asked for clarification on a number of points. In order to address these I first remind you of Rule 6 of the Code of Conduct which states:

35 *"Members must always be open and frank in declaring any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders."*

The Guide to the Rules relating to the conduct of Members, which was recently approved by the House on 12 December 2022, and is appended to the Code, contains more detail about declaration. Chapter 2, states:

5 “2. The declaration of interests ensures that Members, the public and
others are made aware at the appropriate time, in proceedings of the
House and on other occasions, of any interest relevant to those
proceedings or to the actions or words of a Member. The requirement
to declare an interest complements the registration requirements and
10 applies from the time the House first sits after the Member is elected
and to almost every aspect of a Member’s parliamentary duties. It
covers a broader range of interests than registration.

...

5. Members are required, subject to the paragraphs below, to declare
any financial interests which satisfy the test of relevance, including:

15 ...

b) indirect financial interests, such as the financial interests of a spouse
or partner, or another family member, if the Member is aware or could
reasonably be expected to be aware of that interest.

20 6. The test of relevance is whether those interests might reasonably be
thought by others to influence his or her actions or words as a Member.

...

8. Subject to paragraphs 1 to 6 of this chapter, Members must declare
a relevant interest:

...

25 (c) in select Committees:”

As you can see, there is no exception. Registering an interest on either the Register of Members’ Financial Interests or the Ministerial Register where “those interests might reasonably be thought by others to influence his or her actions or words as a Member” does not preclude the declaration of that interest.

The test of relevance is applied broadly in these cases¹⁷, with the Committee on Standards stating that:

5 *“The purpose of declaration is transparency. It is not intended to prevent Members participating in proceedings but to ensure that other Members of the House and the public are fully informed at the relevant time about possible influences on Members.”*¹⁸

10 *“The test—for the Member and for the Commissioner—is not therefore whether an undue influence has been exercised by a financial or non-financial interest... It is rather, as the Guide says, ‘that it might reasonably be thought by others to influence his or her actions or words as a Member’.*

...

15 *The two Houses have different requirements, reflecting their different roles, composition and powers. The House of Commons has set a high bar for its elected members and the public expects the fullest degree of transparency possible. Consequently, although the requirement to declare and register non-financial interests allows the Member a degree of discretion, we would always urge a Member to err on the side of transparency... If Members have any doubt about the application of*
20 *the rules, they should seek and follow advice from the Registrar.”*¹⁹

And my predecessor adding:

25 *“The declaration of an interest does not necessarily mean that a Member’s words or actions are solely, or primarily, or at all, influenced by an outside interest, but declaration is simply a method of openness and transparency that reflects the perception that onlookers might form and allows onlookers to make their own judgement.”*²⁰

30 There does not appear to be any doubt that you have been aware at all material times that your wife has an interest in a childcare company. Indeed, in your letters to me of 24 April and 31 May 2023 you describe discussions you have held about the interest with your advisers on a number of occasions. As you say *“I declared my wife’s interest in Koru Kids Limited to the Cabinet Office, in accordance with the process set out in Chapter 7 of the Ministerial Code... Both the previous independent advisers (Lord Geidt and Sir Alex Allan) determined that my wife’s shareholding in Koru Kids Limited was not a specifically publishable or disclosable interest... This*

¹⁷ Example of previous application of the rule: Sir Ed Davey MP / [Simon Hughes MP](#) / [Mr Marcus Fysh MP](#) / [Karl Turner MP](#) / [Nigel Adams MP](#) / [Ian Paisley MP](#)

¹⁸ [Karl Turner MP](#)

¹⁹ [Mr Marcus Fysh MP](#)

²⁰ [Sir Ed Davey MP](#)

follows their consideration of all the facts and confidential information that I have provided over the years...”.

5 When the Government’s Childcare Policy was discussed at the Liaison Committee meeting, your wife’s interest in a childcare company satisfied the test of relevance in paragraph 6 of Chapter 2 and in my opinion was a financial interest of your spouse of which you were aware or could reasonably have been expected to be aware, and therefore required to be declared in accordance with paragraph 5(b).

10 The fact that the company in which your wife held shares is an express beneficiary of the policy being discussed made the interest particularly strongly relevant; but the test was satisfied simply by the connection between the area of policy being discussed and your wife’s being a shareholder in a childcare company.

15 Whether you were aware of the specific link between the company in which your wife held shares and the particular policy being discussed was not the test for paragraph 6 of Chapter 2. You knew you were being asked about childcare, and you knew that your wife had a financial interest in childcare.

Further to question 2, I attach the correspondence with the Registrar.

In response to your questions 2.2 and 3, as I explained in my letter of 22 May 2023:

20 *“The declaration of interests is entirely separate from registration. It is a requirement that, in the words of Rule 6 of the Code, “Members must always be open and frank in declaring any relevant interest **in any proceeding of the House or its Committees ...” (my emphasis).** As paragraph 2 of Chapter 2 of the Guide explains, the purpose of declaration is so that “Members, the public and others are made aware, **at the appropriate time, in proceedings of the House ..., of any***

25 ***interest relevant to those proceedings ...” (my emphasis).***

....

30 *(In your response you said that “three Independent Advisers have determined that my wife’s shareholding does not meet the relevance test to require full publication on the List of Ministers’ Interests” and that the shareholding “does not fall within any of these nine categories” (an apparent reference to the ten categories for registration of interests in Chapter 1 of the Guide). As explained above, whether or not an interest falls to be registered in the Ministerial register or in the Commons register is not determinative of whether it satisfies the test*

35 *of relevance for declaration in parliamentary proceedings in Chapter 2 of the Guide.)*

You note that you were appearing before the Liaison Committee in your capacity as Prime Minister. Paragraph 6 of the Code and

5 *paragraph 2 of Chapter 2 of the Guide refer to participation by Members in proceedings of the House and its Committees. A Member may be called to participate in proceedings in a number of capacities: but that capacity will always be in addition to, and not instead of, the Member's capacity as a Member of the House, to whom the requirements of the Code apply."*

Accordingly I can confirm that I have not considered the guidance for the List of Minister's Interests as it is not relevant to the House of Commons Code of Conduct.

10 As I say above, it is now for you to decide whether to accept the offer of rectification. Please notify me by 20 June 2023 whether you accept the offer. If you do not accept it, I will refer this matter to the Committee on Standards for consideration.

I would be grateful if you could please send your response electronically to standardscommissioner@parliament.uk

15 **Enclosure: Emails sent between the Office of the Parliamentary Commissioner for Standards and the Registrar of Members Financial Interests.**

20 **From:** [Office of the Parliamentary Commissioner for Standards]
Sent: 03 April 2023 16:15
To: [Registrar of Members' Financial Interests]
Subject: Safe harbour - Rishi Sunak
Sensitivity: Confidential

We have received a complaint that The Rt Hon. Rishi Sunak MP breached the Code of Conduct by failing to declare his wife's interest in Koru Kids Ltd.

On 28th March, Mr Sunak gave evidence to the Liaison Committee as a witness. The following transcript is from the Committee:

25 *"Catherine McKinnell: It is helpful that you have mentioned workforce challenges, because that is one of the big barriers to actually delivering anything that the Government are currently promising. You mentioned ratios; we know many concerns have been expressed that those are going to significantly reduce quality. Many people have raised safety concerns, particularly those petitioners who, tragically, lost their children at nursery and are concerned about the ratios being reduced. Also, that is one of the only measures that the Government have suggested to increase the workforce. The other one is increasing the number of childminders. Can you explain why the Government have chosen to give a £600 bonus if you sign up as an individual as a childminder, but if you go through one of the six private childcare agencies, you get a £1,200 bonus—a double bonus? Can you explain the logic behind that?"*

The Prime Minister: I think this has been designed in consultation with the sector to ensure that it is effective.

Q41 Catherine McKinnell: With the six childcare agencies?

5

The Prime Minister: As I said, I think it has been designed with the sector. I am happy to get back to you.

Q42 Catherine McKinnell: There are only six childcare agencies, and they are advertised on the Government's website. What conversations have the Government had with those agencies about the proposals?

10

The Prime Minister: I will happily write back to you and the Committee on exactly what conversations are had, and the rationale for that policy.

Q43 Catherine McKinnell: What is the rationale for the use of taxpayers' money to give double bonuses to sign with private agencies rather than through the current system?

15

The Prime Minister: I think it is a reflection of the fact that it is through intermediaries, so there are additional costs. Ultimately, we just want to make sure that the policy is effective in bringing additional people into the system.

20

Q44 Catherine McKinnell: There is nothing that the Prime Minister wishes to declare in respect of that?

The Prime Minister: No. All my disclosures are declared in the normal way."

The confirmation statement from Koru Kids is attached. Mr Sunak's wife is recorded as Shareholding 47.

25

The Commissioner is considering whether Mr Sunak should have registered this interest in the Register of Member's Financial Interests, and whether he should have declared this interest when giving evidence to the Liaison Committee.

30

Please may you confirm, whether, according with the safe harbour provision, Mr Sunak approached you for advice regarding this interest and, if he did, what advice he was given.

Please may you also let me know how you would have advised Mr Sunak if he had sought advice from you; and the factors you would take into account when giving that advice.

From: [Registrar of Members' Financial Interests]
Sent: 04 April 2023 13:39
To: [Office of the Parliamentary Commissioner for Standards]
Subject: 04.04.23 Response from Registrar re. safe harbour
5 **Sensitivity:** Confidential

Thank you for your email in relation to the complaint against Rishi Sunak MP.

I have set out my answers to your questions below. If you require any further information, please do not hesitate to contact me.

- 10 **1. The Commissioner is considering whether Mr Sunak should have registered this interest in the Register of Member's Financial Interests, and whether he should have declared this interest when giving evidence to the Liaison Committee.**

Registration

- 15 Paragraph 51 of the Guide to the Rules relates to the registration of shareholdings. It states that:

Under this category Members must register:

- 20 *(a) Shareholdings or share options which they hold, either by themselves or with or on behalf of their spouse, partner or dependent children. This includes any shares which are managed by a trust (other than a blind trust or similar delegated management arrangement) and any holdings in sector-specific vehicles;*

(b) Interests in LLPs or other partnerships.

- 25 The attachment from Companies House does not list Mr Sunak as a shareholder; the shareholding is only in the name of Akshata Murty. Therefore, unless Mr Sunak held these shares with his spouse, he was not required to register an interest in Koru Kids Ltd.

Declaration

My response in relation to Declaration is set out in my answer to Question 3.

- 30 **2. Please may you confirm, whether, according with the safe harbour provision, Mr Sunak approached you for advice regarding this interest and, if he did, what advice he was given.**

I have looked back through our files and neither Mr Sunak nor his staff contacted the Registry Office in relation to Koru Kids Ltd. Therefore, the safe harbour provision does not apply in this case.

- 5 **3. Please may you also let me know how you would have advised Mr Sunak if he had sought advice from you; and the factors you would take into account when giving that advice.**

Registration

10 As stated in answer to Question 1, had Mr Sunak consulted the Registry Office, we would have advised that he was not required to register an interest in Koru Kids Ltd unless Mr Sunak held these shares with his spouse.

Declaration

When the Registry Office is asked for advice on Declaration, we first draw the Member's attention to the relevant rules on Declaration.

15 Paragraph 1 of the Chapter on Declaration restates the principles of registration and declaration set out in Paragraph 6 of the Code of Conduct for Members

Members must always be open and frank in declaring any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders.

20 Paragraph 2 of the Chapter on Declaration explains that Declaration goes further than drawing people's attention to a Register entry:

25 *The declaration of interests ensures that Members, the public and others are made aware at the appropriate time, in proceedings of the House and on other occasions, of any interest relevant to those proceedings or to the actions or words of a Member. The requirement to declare an interest complements the registration requirements and applies from the time the House first sits after the Member is elected and to almost every aspect of a Member's parliamentary duties. It covers a broader range of interests than registration.*

30 In this case, Paragraph 5(b) of the rules is also relevant. That paragraph makes clear that financial interests include the financial interests of family members:

5. Members are required, subject to the paragraphs below, to declare any financial interests which satisfy the test of relevance, including:

[...]

5 *b) indirect financial interests, such as the financial interests of a spouse or partner, or another family member, if the Member is aware or could reasonably be expected to be aware of that interest. It is not necessary to identify the person concerned: a formula such as “A member of my family has a financial interest in []” will usually suffice. The definition of a family member is as under Category 9 of the Register;*

Therefore, the financial interests of a spouse are included in the list of indirect financial interests that may be required to be declared.

The test of relevance referred to above is set out in paragraph 6:

10 *6. The test of relevance is whether those interests might reasonably be thought by others to influence his or her actions or words as a Member.*

15 From the information provided, Koru Kids limited is one of six companies that will benefit from the Government’s scheme to increase the workforce in the childcare sector. The fact that Mr Sunak’s wife had a shareholding in one of them would have led me to advise that the test of relevance is highly likely to have been met. Therefore, had he sought advice, we would have advised Mr Sunak to declare an interest in his wife’s shareholding in proceedings relating to the scheme.

13 June 2023

7. Letter from The Rt Hon. Rishi Sunak MP to the Commissioner, 19 June 2023

20 I refer to your letter of 13 June 2023, and the enclosed email from the Registrar's office.

Prior to responding to your letter, I am arranging to speak with the Registrar to make sure I fully understand the application of his advice. Please let me know if you have any objection to this.

25 I am mindful of tomorrow's deadline to provide you with my response. I will revert to you as soon as possible and will confirm tomorrow if a short extension is required.

19 June 2023

8. Letter from the Commissioner to The Rt Hon. Rishi Sunak MP, 19 June 2023

30 This note responds to your letter to me today about my investigation into an alleged failure by you to declare an interest when appearing before the Liaison Committee.

It would not be appropriate for the Registrar to discuss with you the nature of his advice as it applies to an investigation that I am currently pursuing.

In accordance with paragraph 35 of the Procedural Protocol relating to the Code of Conduct it is open to you to request to meet me during the investigation.

5 I will be happy to meet you, and to arrange for the Registrar to join us so that he is able to comment on his advice should it become appropriate and helpful for him to do so.

The Registrar is away from the office this week. I will be happy for our offices to liaise with a view to arranging a meeting as early as possible next week; and with that in mind I am now extending the deadline set out in my letter to you of 13 June from 20 June to Friday 30 June.

10 *19 June 2023*

9. Summary Note of meeting between the Registrar of Members Financial Interests, The Rt Hon. Rishi Sunak MP and the Commissioner, 30 June 2023

15 The Parliamentary Commissioner for Standards ("PCS") introduced the meeting by explaining that having been requested by The Rt Hon. Rishi Sunak MP ("RS") under paragraph 35 of the Procedural Protocol in respect of the Code of Conduct, a note would be taken of the meeting which might be published in full or in part as part of a rectification package or a memorandum to the Select Committee on Standards in due course.

20 RS made some introductory remarks about his commitment to registration of interests. He also explained that he does not expect to know the details of his family members' private financial interests, and that at the Liaison Committee meeting he was not aware of any connection between a company in which his wife had a shareholding and the childcare matter being raised at the Committee.

25 The meeting discussed the position in relation to RS' follow-up letter after the Liaison Committee to Sir Bernard Jenkin MP ("BJ"), and RS's advisor confirmed that by the time of that letter as a result of media interest, RS did know to which interest the Committee had intended to refer when they asked about the declaration of interest.

30 PCS confirmed that in that case he would have expected RS to correct the record by declaring the interest specifically in his letter to BJ.

RS asserted that he believed that was achieved in his letter to BJ because it mentions that the interest has been declared to the Cabinet Office.

35 PCS suggested that this demonstrates a confusion between registration of interests, whether in the Parliamentary system or the Ministerial system, and declaration of interests.

The meeting discussed the breadth of the implication of the declaration requirements under rule 6 and Chapter 2.

5 PCS confirmed that the rules for declaration operate in the same way for Ministers as for other Members: that on each occasion of participation in Parliamentary proceedings the test of relevance should be applied.

The Registrar of Members Financial Interests reminded the meeting that there is a specific exemption under the rules for participation in Questions where declarations are not required because of the fluid and rapid nature of the proceedings.

10 In response to concerns raised by RS as to how to comply with the rules on declaration in the context of the wide-ranging discussion in the Liaison Committee and the complexity of his family's private financial interests, PCS undertook to consult the Registrar and advise before RS's appearance at the Liaison Committee on Tuesday 4 July 2023.²¹

15 After further discussion, RS undertook to write to PCS by the end of the following week concerning the possibility of accepting his offer of rectification, PCS agreed to extend the deadline for RS' reply to his last letter offering rectification to the following Friday, and the meeting concluded.

30 June 2023

10. Letter from the Commissioner to The Rt Hon. Rishi Sunak MP, 3 July 2023

20 Declaration of Interests at Liaison Committee

1. At our meeting on 30 June under paragraph 35 of the Procedural Protocol in respect of the Code of Conduct you asked for practical advice as to how to make appropriate declarations in respect of your wife's financial interests at your forthcoming attendance at the Liaison Committee on
25 Tuesday of this week, having regard to the multiplicity and complexity of her investments and your ignorance of their disposition.
2. If when replying on any Question you are aware of a particular financial interest of your wife's that appears to you to meet the test of relevance in paragraph 6 of Chapter 2 of the Guide to the Rules relating to the Conduct of Members (reasonably likely to be thought influential by others) then you
30 should declare it at the time in the usual way.
3. Following the meeting, I suggest that you take reasonable steps to discover whether your wife or any other member of your family (defined in accordance with paragraph 58 of Chapter 1 of the Guide as applied by
35 paragraph 5(b) of Chapter 2) has a financial interest of particular relevance

²¹ The advice was delivered to RS, as promised, before 10 a.m. on Monday 3 July 2023.

to any of the matters raised and, if they do, write to the Chair to provide the required declaration.

4. You may wish (although this is a matter for you) either to write to the Committee in advance, or to make a general observation at the start of the meeting, along the following lines:

"I am unable to anticipate all areas of questioning that will be put to me during my appearance at the Liaison Committee. Therefore, it may not always be possible for me to declare during the meeting an interest that later, on reflection, appears to me to satisfy the relevance test as set out in paragraph 6 of Chapter 2 of the Guide to the Rules relating to the Conduct of Members."

"Should that contingency arise, I will write to the Committee as soon as reasonably possible after my appearance to declare any interest that I consider meets that test."

"I have discussed this approach with the Parliamentary Commissioner for Standards and the Registrar of Members' Financial Interests, who are satisfied that it is appropriate."

5. Having regard to the concerns you expressed at our meeting about your wife's entitlement to privacy in respect of her finances, I draw your attention to paragraph 5(b) of Chapter 2 of the Guide which notes in relation to the declaration of indirect interests such as financial interests of a spouse or partner or other family member:

"It is not necessary to identify the person concerned: a formula such as 'A member of my family has a financial interest in []' will usually suffice."

6. The Registrar concurs with me in this advice.

3 July 2023

11. Letter from The Rt Hon. Rishi Sunak MP to the Commissioner, 5 July 2023

Thank you for your time at our meeting with the Registrar on 30 June 2023. As I mentioned at the time, I take matters of transparency and propriety extremely seriously and appreciated the opportunity to discuss this with you.

I write this letter as a full and complete response to all matters raised by your inquiry, as set out within your letters of 13 and 20 April 2023, with a view to achieving a final resolution via rectification.

I welcome your confirmation that your investigation related to declarations of interests; there is no question that I correctly registered my wife's shareholding.

5 I am also grateful that during our helpful discussion you accepted that my response during the Liaison Committee hearing on 28 March 2023 complied with the rules on declaration, given that at that time, I had no idea of the connection between Koru Kids and the Childminder Grants Scheme policy. It was only after the hearing that I became aware of the link, as set out in my subsequent letter to Sir Bernard, the Chair of the Liaison Committee, dated 4 April 2023.

10 As we discussed at our meeting, I now understand that my letter to Sir Bernard was not sufficiently expansive regarding declaration (as distinct from registration). That letter referred to media coverage of my wife's minority shareholding and pointed to my (correct) registration of that interest under the Ministerial Code. On reflection, I accept your opinion that I should have used the letter to declare the interest explicitly. [Content redacted as does not relate to this inquiry]

15 I apologise for these inadvertent errors and confirm acceptance of your proposal for rectification.

5 July 2023

12. Letter from the Commissioner to The Rt Hon. Rishi Sunak MP, 24 July 2023

20 Thank you for your letter of 5 July 2023, accepting my proposal to conclude my inquiry into the failure to declare an interest by way of the rectification procedure, and acknowledging and apologising for your breach of the rules.

I enclose a copy of the written evidence pack, which includes the correspondence exchanged during the investigation. I have also included a note summarising our meeting on 30 June 2023 and would ask that you review the content and confirm
25 that it is an accurate and sufficient summary of our discussion.

In this pack you will find a draft copy of the letter I plan to send to the complainant; it is the first item in the pack, after the summary. While the content of the letter is a matter for me alone, I would welcome any comments on the factual accuracy of this and the written evidence pack. The complainant's name will be redacted from the
30 published pack; please let me know if there are any further redactions you think should be made, and I will consider your request.

I would be pleased to receive any comments you wish to make on these items as soon as possible, and ideally no later than 7 August 2023 (but please let me know if you need more time and I will consider your request).

35 Once I have any comments you wish to make, I will finalise the pack, which will then be published on my webpages. I will notify you of the publication of the pack. I will also notify the Committee on Standards of the outcome of my inquiry in due course.

In the meantime, our correspondence continues to be protected by parliamentary privilege. Until I send you and the complainant letters concluding the inquiry, this matter should remain confidential.

5 I remind you that my inquiry into whether there was a breach of confidentiality continues and I am writing to you separately today about that matter.

24 July 2023

13. Letter from The Rt Hon. Rishi Sunak MP to the Commissioner, 27 July 2023

Thank you for your two letters of 24 July 2023 and the proposed enclosures, together with your invitation for me to provide comments on the same.

10 Resolution of the inadvertent breach of Rule 6

On 30 June 2023 you accepted that I could not have declared the interest at the Liaison Committee hearing on 28 March 2023, as I was not aware of any connection between the Company and the Policy at the time. If it would be helpful, I can share my verbatim notes of our meeting.

15 Furthermore, your letter of 3 July 2023 acknowledged that *"it may not always be possible for me to declare during the meeting an interest that later, on reflection, appears to me to satisfy the relevance test..."*. You advised that should a relevant financial interest become clear to me *after* a hearing, (as was the case in relation to the Liaison Committee hearing on 28 March 2023), the correct course of action is to
20 write subsequently to the Chair of the Liaison Committee to provide the required declaration.

I did write to the Chair of the Liaison Committee, Sir Bernard, on 4 April 2023, one week after the hearing. During our meeting on 30 June 2023, you explained that your concern was with the imprecision of the wording in that letter, an opinion
25 which I have accepted.

On 5 July 2023, I wrote to accept your proposal for rectification. Within that letter I thanked you for your confirmation that I had complied with the Rules at the Liaison Committee hearing. In relation to my letter to Sir Bernard, I apologised for my inadvertent and minor breach of the Code, on the basis that my letter was not
30 sufficiently expansive.

I would therefore be grateful if it could be clarified within lines 15 to 25 of the Summary of the Draft Written Evidence Pack that this inadvertent, minor breach of Rule 6 related to my letter to Sir Bernard, not any failure to declare before the Liaison Committee hearing. It follows that lines 5 to 10 of the Resolution Letter will
35 also require amendment to clarify this central point.

[Content redacted as does not relate to this inquiry]

I hope the above assists, and that a swift resolution of this matter can be achieved. Please note that once I have received your response letter, I will be in a position to provide any requests for redactions and final amendments to the documents.

27 July 2023

5 **14. Letter from the Commissioner to The Rt Hon. Rishi Sunak MP, 7 August 2023**

Thank you for your letter of 27 July 2023. I will address the points that you have raised regarding my inquiry into a breach of paragraph 13 in a separate letter.

10 I have fully considered the comments that you have made, and, where appropriate, I have amended the summary in the written evidence pack, however this has not affected the decision.

15 I will not however be amending the resolution letter to the complainant. As I explained in my previous letter, it is for me to determine the content of the letter to the complainant. In this case, as is my usual practice, the letter states the outcome and refers the complainant to the written evidence pack for further details about my decision.

20 As a matter of courtesy, I am sending you a copy of the amended draft written evidence pack. This includes my amendments to the summary and our most recent correspondence. Once again, I would welcome any comments on the factual accuracy of the amendments and the additions to the written evidence pack, including any further redactions you think should be made, and I will consider your request.

25 I would be pleased to receive any comments you wish to make on these items as soon as possible, and ideally no later than 14 August 2023 (but please let me know if you need more time and I will consider your request).

Once I have any comments you wish to make, I will finalise the pack, which will then be published on my webpages. I will notify you of the publication of the pack. I will also notify the Committee on Standards of the outcome of my inquiry in due course.

30 In the meantime, our correspondence continues to be protected by parliamentary privilege. Until I send you and the complainant letters concluding the inquiry, this matter should remain confidential.

[Content redacted as does not relate to this inquiry]

7 August 2023

15. Letter from The Rt Hon. Rishi Sunak MP to the Commissioner, 18 August 2023

I refer to your letter of 7 August 2023 enclosing the revised Written Evidence Pack.

5 I am grateful for the addition of the fifth paragraph within the Summary, which states:

10 *"During a meeting with Mr Sunak on 30 June 2023 I acknowledged that he may not have been aware of Ms Murty's shareholding at the time of the meeting, but he had a duty to correct the record. However, Mr Sunak was aware of the interest when he subsequently wrote to Sir Bernard Jenkin on 4 April 2023, and he failed to declare the interest at that stage or correct the record".*

15 This paragraph reflects parts of our discussion with the Registrar on 30 June 2023, and your letter of 3 July 2023, when you advised that I should either write to the Liaison Committee in advance or make a general observation at the start of the meeting that, *"it may not always be possible for me to declare during the meeting an interest that later, on reflection, appears to me to satisfy the relevance test".*

20 Should this scenario arise again, I have acknowledged that I have a duty to write to the Committee after my appearance to correct the record. I accept and once again apologise that my letter to the Liaison Committee on 4 April 2023 was not sufficiently expansive, as it confused the language of registration and declaration.

Thank you for providing the clarification set out above and for your openness during this inquiry process, including in our meeting with the Registrar. I am pleased that this matter will now be concluded by way of rectification.

18 August 2023

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