

**Subcommittee to Study the Proposed
Accountability System for Principal Officials and Related Issues**

**Administration's response to
issues raised at the meeting on 4 June 2002**

This paper sets out the Administration's response to the list of issues raised at the meeting on 4 June 2002 as set out in LC Paper No. CB(2)2187/01-02 (01).

Declaration of interests

- (1) Issue raised: To make reference to the UK Ministerial Code in considering whether a principal official can be a company director. Paragraph 122 of the Code stipulates that Ministers must resign from any directorships they hold when they take up office, irrespective of whether the directorship is in a public or private company and whether it carries remuneration or is honorary.

Administration's response: We will make clear in the employment contract and in the Code that during the term of office, a principal official cannot be a director of any public or private company, irrespective of whether the directorship carries remuneration or not. The only exceptions are cases where the principal official is appointed to the relevant board of directors in his official capacity or where the Chief Executive's prior written consent has been obtained (e.g. in connection with private family estates) or honorary posts in non-profit making organisations or charitable bodies. Even in these cases, it is the responsibility of the principal official to ensure that no conflict of interest is likely to arise between his official duties and his interests in these organisations/bodies.

Sponsored visits

- (2) Issue raised: To make reference to the practice in the UK in considering whether a principal official should make a sponsored visit in private capacity. There is no reference to a sponsored visit undertaken by Ministers in private capacity in the UK Ministerial Code.

Administration's response: We would delete from the Code the reference to sponsored visits in private capacity.

- (3) Issue raised: To consider drawing up guidelines for principal officials to conduct overseas duty visits, by making reference to the note issued by the UK Prime Minister on "Travel by Ministers".

Administration's response: Suitable guidelines would be incorporated in the Code.

Constitutional Affairs Bureau
5 June 2002