
Code Change Committee

Conflicts of Interest

Guidance

1. Background

This guide was developed following discussions by the Code Change Committee and sets out a proposed approach to identifying and managing conflicts of interest for the Code Change Committee members.

2. General Principles

Consistent with the approved [CCC Terms of Reference](#), Code Change Committee members and Alternate members (where appointed) will:

- Declare any business, personal or other interest they have in connection with Code Change Committee business, and record these in the Register of Interests; and
- declare any conflict of interest at the start of any meeting should the need arise; and
- offer to leave the meeting for the duration of discussion and any subsequent vote if a conflicted matter arises in a meeting.

In the interests of open governance, full names, dates of appointment, terms of office, roles, attendance records, category of member and the body responsible for nomination and appointment may be published on the MOSL website.

3. Conflicts of Interest

3.1 General Conflicts

The nature of Code Change Committee business (including the content of proposed code changes) may, from time to time, create an actual or perceived conflict of interest. For example, were a code change solution to impinge on the personal or financial interests of an individual Code Change Committee member.

In the case of a personal interest (e.g., where the Committee member serves as a trustee or member of a company board, or where a personal relationship may impact on their impartiality when discussing a code change), the Committee member should ensure that the register of interests is kept up to date and declare their interest to the Chair as outlined in Section 5 of this guidance.

3.2 Conflicts associated with the source of Change Proposals

Code Change Committee membership requires an undertaking to act independently and in the interest of the market, not in the interests of a particular party or class of parties.

The nature of the Code Change Committee's work means that members are constantly involved in reviewing code changes that can originate from a number of sources, including their home organisation.

Consequently, in addition to the general conflict considerations that all members must make in relation to conflicts of interest, careful consideration must be given when considering code change proposals originating from a Code Change Committee member's home organisation.

Where the Code Change Committee considers a code change proposal that originates from an individual members' home organisation, in the interest of transparency, Code Change Committee members should declare a potential conflict of interest ahead of any specific discussion. The employee release letters signed by the member's home organisation and the declaration of compliance each member has signed holds each Code Change Committee member to act independently, in the interests of the market.

When considering code change proposals which originate from their home organisation, the Code Change Committee member may participate in the Code Change Committee discussion but not exercise a vote in any related decision on that code change.

3.3 Conflicts associated with Proposer Ownership

The 'proposer' of a code change proposal is the individual who represents the organisation that has raised the code change proposal. They are the person with the authority to amend the proposed solution as the change is considered and assessed. When attending the Code Change Committee, the 'proposer' of a change proposal represents the raising organisation's view of the change it has put forward for consideration.

The role of 'proposer' of a code change proposal for a particular organisation (trading party) is therefore incompatible with a Code Change Committee members' obligation to act without regard to individual parties. There is an inescapable conflict between the role of a 'proposer' of a code change proposal and that of a Code Change Committee member as the Code Change Committee member would be required to represent both the organisation (in relation to the change) at the same time as being required to be independent of that company in casting a vote (as a Code Change Committee member). It is impossible to fulfil these two obligations simultaneously.

Consequently, if a member of the Committee is the named proposer of a change proposal that comes before the Code Change Committee from their home organisation, they will be required to act as the proposer of that change, rather than a Code Change Committee member. The Code Change Committee agreed that where a Code Change Committee

member is the named proposer, they would only be allowed to take part in the discussion relating to the change proposal up to the point of voting.

Code Change Committee members who sit on subcommittees of the Strategic Panel who bring a change proposal to the Code Change Committee would be permitted to vote on the change proposal on the basis that their interest is no greater than that of any other stakeholder and that they would be representing the market as a whole rather than their home organisation.

Where a Code Change Committee member is part of an Industry Representative Group that brings a change proposal to the committee, the Code Change Committee member would not be seen as having a greater interest than any other stakeholder and would therefore be permitted to vote unless they were the named proposer.

4. Use of Alternates

Where a Committee Member has recused themselves from Code Change Committee meetings or agenda item(s) in relation to a conflict of interest, they may appoint an Alternate in line with the provisions for Alternates set out in the market codes. That Alternate is subject to the obligations placed on Committee members under the market codes and the Code Change Committee terms of reference and working practices. The appointed Alternate must not be conflicted in order to participate in Code Change Committee business.

5. Register of Interests

In line with good practice, the Secretariat will maintain a Register of Interests for Committee members. Committee members should submit notice of any interests that meet the criteria set out in appendix 1 to Secretariat.

The Register of Interests will be maintained by the Secretariat and will not be treated as confidential, as agreed by the Code Change Committee.

While the onus is on Committee members to notify the Chair and Committee Secretary of any potential conflicts of interests either in advance of or at Committee meetings, the Chair, the Committee Secretary and the Panel Secretary will review the Register of Interests and the agenda for each meeting to try and identify any potential conflicts and engage with Committee members in advance of meetings.

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It is important that, in making their declarations, Committee members declare the full range of any other roles, commitments or close connections, regardless of whether they may feel the risk of conflict is unlikely to arise, and operate under the principle, of, if in doubt, declare it anyway. This high level of transparency will enable the Secretariat team to effectively monitor all potential conflicts of interest and alert the Chair when these arise.

Appendix 1: Register of Interest – Notification Criteria

In terms of what matters should be declared for the register, this would include where the Code Change Committee member could be conflicted by their loyalty to any of the following:

- Their principal employer.
- Any other organisation that employs them (including on a consultancy basis) or in which they are a director, or owner, or have a significant interest (such as holding over 10% of their shares or a trust in which they are a beneficiary or whose financial interest is largely aligned with theirs).
- An organisation where they are a volunteer or trustee.
- A member of their family.
- Another person connected to them, for example, a business partner or someone with whom they are in a relationship.

Table 1: Register of Interests Example Blank Row

Date notified	Effective Date	Brief details of interest notified	Financial? i.e. remunerated	Brief details of any action taken (other than declaring to Board)