

E: Mary.McAllan@gov.scot

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Dear Chair,

**MODEL CODE OF CONDUCT FOR MEMBERS OF DEVOLVED PUBLIC BODIES  
– CLARIFICATION – INTEREST IN SHARES AND SECURITIES.**

The purpose of this letter is to issue a point of clarification relating to Section 4, Registration of Interests, Category Six: Interest in Shares and Securities of the 2021 Model Code of Conduct for Members of Devolved Public Bodies.

Paragraph 4.19 in the 2014 version of the Model Code included the qualification that an interest in shares and securities should only be registered if it could be “*significant to, of relevance to, or bear upon, the work and operation of the public body*”. However, the corresponding paragraph 4.20 of the 2021 revised Model Code does not contain this provision.

The Standards Commission for Scotland and the Ethical Standards Commissioner agree that the omission of this qualification in the 2021 version of the Model Code was an oversight. Paragraph 4.20 of the Code should therefore be applied in line with the 2014 provision. As such, the Standards Commission for Scotland will provide clarification of the requirements to register interests in shares and securities in their Guidance.

I'd like to apologise for the confusion around this requirement.

I'd also like to take the opportunity to address any concerns around the registration of pensions. An interest under shares and securities will include investments made under self-invested pension plans only if, at the relevant date, they are either more than 1% of the issued share capital of a specific company or body or are greater than £25,000. This is provided the shares and securities in question are significant to, relevant to, or bear upon the work or operation of the public body of which you are a member.

Please note that the objective test still applies in relation to these matters. Should at any point your shares or interests be regarded as bearing influence on subjects raised in any future Board meetings or the operations of your organisation this will be required to be declared as per Section 5 of the Model Code.

Please accept this letter as assurance that the Model Code can be adopted by your organisation without amendment to paragraph 4.20.

Yours sincerely,



Mary McAllan  
**Director for Covid Recovery and Public Service Reform**