

Public Administration and Constitutional Affairs Committee

Oral evidence: [Lobbying and Influence: post-legislative scrutiny of the Lobbying Act 2014 and related matters, HC 638](#)

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Members present: Mr William Wragg (Chair); Mr David Jones; John McDonnell; Damien Moore; Tom Randall; Lloyd Russell-Moyle; Karin Smyth; Beth Winter.

Questions 149-201

Witnesses

I: Matti Van Hecke, Head of the Secretariat, European Public Affairs Consultancies' Association (EPACA), and María Rosa Rotondo, President of the Public Affairs Community of Europe (PACE).

II: Vitor Teixeira, Senior Policy Officer, Transparency International EU.

Examination of witnesses

Witnesses: Matti Van Hecke and María Rosa Rotondo.

Chair: Good morning and welcome to a session of the Public Administration and Constitutional Affairs Committee. Today the Committee is continuing its inquiry on post-legislative scrutiny of part 1 of the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014—more commonly known as the Lobbying Act. This session will examine the regulatory regimes applicable in other jurisdictions, in particular the European Union, and the rules governing lobbying at EU institutions.

Our witnesses today are spread across two panels and are attending remotely. The Committee is very grateful to all the witnesses who have given their time today. I will ask the first panel to introduce themselves for the record, beginning with María Rosa Rotondo.

María Rosa Rotondo: Good morning, everyone. Thank you for inviting us to provide evidence today. My name is María Rosa Rotondo. I am president of the Spanish Association of Lobbyists—APRI—and of the

European platform of lobbying associations, the Public Affairs Community of Europe.

Matti Van Hecke: Good morning. I am Matti Van Hecke. I have a background in studying lobbying. That is where I did my PhD, and now I am the head of the Secretariat of EPACA—the European Public Affairs Consultancies' Association—which represents consultancies for EU institutions in Brussels.

Q149 Chair: Thank you. I will pose questions to Matti and María in that order. An updated regulatory regime was introduced in the EU in 2021. Can you tell us what the main changes have been and why they were deemed necessary?

Matti Van Hecke: Absolutely. There have been many changes, but two important ones. The main change was to include the Council in the inter-institutional agreement on the Transparency Register. It used to be only a Register for the Commission, and now the Parliament joins, so the update of the IIA was to also include the Council, which is a third important legislative institution in EU decision making.

The second objective of the update of the IIA was to create further incentives to incentivise interest organisations to register on the Transparency Register. They did this by creating new conditionality measures. As you may or may not know, the EU Transparency Register in its nature is still a voluntary Register, but interest organisations and interest representatives are incentivised to register by linking registration to certain benefits, thereby allowing registrants to perform certain activities that you do not perform when you are not on the Register. That was also a major ambition of the reform.

Q150 Chair: Were you consulted on or involved in the development of that updated system?

Matti Van Hecke: We played a big role in the agenda-setting phase, together with Transparency International and Vitor, your next speaker. In fact, I teamed up with Transparency International to ask for an update of the IIA, which we successfully managed to do. To be honest, in the process itself, during the political negotiations between the institutions, it was quite challenging to be heard and to have an impact on the discussions. There was a consultation in December 2020, but, in all honesty, this was already after the main political decisions had been taken, so our role was more limited. In the implementation, however—after there was a political agreement—the Secretariat worked on the implementing guidelines.

We have been involved in the consultation, and we have been in regular contact with the Secretariat to make sure that all the relevant information for our members would be clear and would get to them before the entry into force of the new Register.

Q151 Chair: Do you sense any flaws in how the new system operates at all?



Matti Van Hecke: Overall, I think EPACA is quite happy with the new Transparency Register. I am sure María Rosa can say a bit more about that, but especially when comparing it with other political systems, it is quite an advanced Register. Of course, we also think that the creation of the new IIA on the mandatory Transparency Register was a step in the right direction. Some of the conditionality measures have gone further—for instance, EPACA was in favour of all MEPs only meeting with registered lobbyists, while now it is only certain MEPs who are involved in policymaking processes. One step that it could still improve is to include more of these conditionality measures.

One issue we had, leading up to the implementation, was the scope and definition of covered activities. This is quite a technical issue, but we were informed in the process that monitoring activities would not be seen as a covered activity for the Register. For our members, that is quite important, because the services we provide to our clients are a package deal, and monitoring is part of that package. Excluding that from the Register, and also excluding all the financial information related to monitoring services, was a bit of an issue. This is one of the examples, I think, where a more intense dialogue between the Secretariat and the sector could have helped to avoid these kinds of issues, but in the end we found a solution; we found an interpretation that worked for the sector and the Secretariat.

Another area of improvement would be enforcement—not on the side of the lobbyists, per se. As a lobbyist, if you do not comply with the code of conduct, or your information in the Transparency Register is not appropriate or not correct, this can lead to suspension from the Register or even removal from the Register. It can also lead to reputational damage, because the Secretariat can also publish this information. On the other hand, for us on the side of the industry, it is very difficult to see how the Register is being monitored and checked from the side of the policymaker.

Next to the Register, there is also the obligation for certain policymakers within the EU institutions to publish their meetings. This is also a way to see, “Okay, are these people indeed meeting with registered lobbyists?” From our perspective, it is very difficult to see how this is being monitored, controlled or even enforced. That is where the European system could still improve.

Q152 **Chair:** Thank you very much indeed for that, Matti. Could I go to María, please, for your reflections on why those changes were necessary? Please speak about the extent to which you were consulted and involved, and any flaws that you might identify.

María Rosa Rotondo: The Public Affairs Community of Europe gathers national associations of lobbyists, so we represent the lobbyists that operate at member state level—we would represent the British lobbyists’ association if they wanted, which is not the case at the moment. We represent the voices of lobbyists in the different national realities.



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As Matti said, we indeed portray the European Union transparency regime as a very good example, because in our opinion, it sets a balanced set of rules for both lobbyists and public officials. The balance is very important in these cases, because normally, countries tend to impose obligations on lobbyists and forget about themselves.

We also need to understand that the European Union itself is not a constitutional regime such as national realities have. At member state level, there are many considerations that you should include in your thinking. When you are regulating lobbying, you often have to touch on fundamental rights, like access to information, participation in the decision-making process and, more recently, even freedom of speech and freedom of media. This is something you have to tackle.

Nevertheless—and coming back to the question—yes, the European Union, especially because its review is ongoing, its improvements are always on the go and it is constantly adapting to the realities of lobbying in the European Union, is a good, balanced framework. I do, however, want to draw your attention also to the work that the OECD does in this respect. There are very useful guidelines for Governments wishing to regulate lobbying.

Q153 Chair: Thank you very much indeed. I have a quick question for either of our witnesses. Is registration obligatory?

Matti Van Hecke: The EU Transparency Register is not obligatory; it is voluntary by nature. But the philosophy behind the IIA on a mandatory transparency register was to make it de facto mandatory. What is meant by this is that if you want to be a proper public affairs consultant in Brussels, in the EU, you need to be on the Register, because that allows you to have meetings with commissioners and with cabinet members of commissioners; it allows you to request an access badge for the European Parliament. There is no law, regulation or directive obliging lobbyists or interest representatives to register, but the EU created a system where your life as a lobbyist becomes much easier if you are on the Register.

Chair: That is very helpful, and on that theme, I will go to my colleague Damien Moore.

Q154 Damien Moore: Thank you, Chairman. Is lobbying in Brussels conducted only by firms or organisations that are registered? If not, do you have any estimate of the amount being conducted by those who are not registered?

Matti Van Hecke: Thank you for your question. It is of course a difficult one to answer, because one of the reasons why people are in favour of a register is to be able to measure lobbying activity, so if you are not on the Register, that is difficult to measure. In my experience, it is very rare to come across especially consultancies or companies that are serious about their public affairs activities and are not on the Register.

At some point, there were actually too many organisations on the Register, because companies started to see it as a stamp of approval. If



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you are on the Register, you are a recognised lobbyist. It was a way to showcase their activity in Brussels. The Secretariat started to be stricter with eligibility for registration, so you will see that actually, in the past couple of years, the number of Registrants has gone down. This is because the Secretariat has been actively removing from the Register organisations that do not meet the eligibility criteria to be on the Register. There was and there is still a very strong willingness in the sector—in the industry—to be on the Register.

Q155 Damien Moore: María, do you have anything to say on that?

María Rosa Rotondo: Yes, I want to say something for Matti to confirm. I remember that American law firms tended to be more elusive on the registering obligations but still did a lot of lobbying. Is that still the case? Perhaps you could comment.

Matti Van Hecke: This was an important discussion in the very early stages of the Transparency Register: who should register and who should not? What the IIA does now is define interest representation activities—what is considered covered activity. The entity or organisation performing it doesn't really matter. If your objective is to influence new policymaking or new legislation, and you are using legal arguments, PR campaigns, position papers or a coalition, then de facto you are interest representatives and you are lobbying, so you should be on the Register. What has been provided is some exceptions.

There are some exceptions. One of those exceptions is, for instance, if you are a lawyer and you are hired by an MEP to offer that MEP personal legal advice on his or her divorce; of course you do not need to be on the Register to be able to perform that activity. That is how they handle that situation.

Q156 Damien Moore: Would you say that the loophole with law firms has been rectified, or do you think there is more work to be done?

Matti Van Hecke: From a rulemaking point of view, I think they have indeed rectified that loophole. Whether the change has also been seen on the ground I am not 100% sure. I think it would still be possible, as a law firm, to sell your services as legal advice rather than public affairs advice or lobbying advice. Again, we come back to the enforcement issue. Right now, it is purely or mostly based on a complaints procedure, depending on the role of a transparency watchdog such as Transparency International.

Q157 Damien Moore: There is still a lot of open interpretation, depending on how they see they are giving that advice.

Matti Van Hecke: In the guidelines it is specified quite clearly which are considered covered activities and which are not, but of course there is always some grey area that can be misused.

Damien Moore: Thank you. María, do you have anything to say on that?

María Rosa Rotondo: No.



Q158 Beth Winter: Are organisations based outside the EU required to register? Are you confident that they do so? Ms Rotondo, do you want to answer that one?

María Rosa Rotondo: As Matti said, anyone—of course with some grey areas—who tries to influence or influences in Brussels registers effectively. Across Europe, the creation of a lobbyist register is not so developed. There are only seven European countries with some kind of regulation. In all those seven European countries that have regulated, there are registers of some kind. Some are voluntary and some are mandatory—basically only in France and Germany.

Therefore, the reality at national level in the countries of Europe is very varied, because this is not subject to European legislation or harmonisation. This is not transparency, per se, of national members. It is not in the treaties, and therefore the European Union cannot promote legislation. Therefore, we find a very heterogeneous situation because this is largely a national issue. For this reason, even if the country where it has been regulated is an important one, such as Germany and France, the situation is very different from country to country.

Q159 Beth Winter: Mr Van Hecke, do you have anything to add?

Matti Van Hecke: María Rosa is correct. It is important to remember that it is not a mandatory Register, so you are not required to register per se. Also, companies outside the EU would be expected to do so. In the end—this is why I think the EU Transparency Register is popular—from a purely cost-benefit kind of calculation and analysis, it is more interesting to be on the Register.

Q160 Beth Winter: Mr Van Hecke, what information are you required to disclose to the Register? Is that information all relevant to the activities that you carry out?

Matti Van Hecke: It is quite a lot of information, but a lot of the information is related to the organisation itself—who the legal representative is, what the staff size is, what the address is, et cetera, so quite objective, neutral information. You are also asked to provide information on the legislative files you are following; that can be anything—regulations, directives on initiative reports, et cetera. They also ask you to provide information on interest representation activities that you are conducting on those files; this can be communication campaigns or coalition building initiatives, so it is quite broad.

Q161 Beth Winter: Do you think it is relevant and sufficient information that is gathered?

Matti Van Hecke: That is a difficult question. I think it is relevant. The challenge that my members face—this is very much an EPACA issue—is that we have some member consultancies that are quite large. We have a member consultancy that has 50, maybe 100, clients, and for each client there are eight or 10 legislative files that it is relevant to follow, so for a consultancy to provide information on all these files is quite challenging. In my own experience, what is being done with this information is not always



proportionate to the intensity that it requires for us and our members to collect that information—but then again, we are very committed to transparency. We do not have anything to hide, so we are happy to do this, but in my assessment, which is supported by our members, or at least the members of our management committee, there is a growing feeling that the information that is being requested is not always proportionate to what is being done with that information. There is no issue with being transparent, but it is always interesting to know how this extra information contributes to transparency and enhances transparency.

One very important thing that we also have to disclose is our clients. Consultancies have to disclose their clients, and companies have to disclose their consultants, and also the associated costs and revenues. An important change, which is in the most recent update, is that consultancies have to declare their revenues per client, and clients have to declare their costs per consultancy, and this has to make sense. That was an important recent change, which, again, has added a level of co-ordination that is required between clients and their consultants and intermediaries. That is something that was added recently.

Q162 **Beth Winter:** Thank you. Ms Rotondo, do you have anything to add?

María Rosa Rotondo: Yes. Normally registers require a number of things that are useful to identify the organisation lobbying behind it and to prevent undue and covert influence. That is fine and that is what the Register should be. But Matti just mentioned the fact that most lobbying registers require a certain financial disclosure, especially of consultancies and companies. We think that that is very relevant in terms of following the money, so to speak, but it is really not so important. Incredibly efficient, almost cost-free, campaigns have been done in the past—we have several examples in Spain and some examples in the UK. From our perspective, while supporting transparency, as Matti was saying, we have to think about what is really efficient for the purpose of the Register. Oftentimes, financial disclosures that rely on consultancies tend to punish consultancies. That is not so efficient for the purposes of following the correlation between money and influence, which is something that we can discuss. It is not a direct correlation.

Q163 **John McDonnell:** Can I ask you some questions about the code of conduct, which is a requirement for registration? How comprehensive is it? Is it routinely complied with? How is compliance monitored and what happens if breaches of the code of conduct are found? What are the consequences of that? Matti, can I start with you?

Matti Van Hecke: Yes, of course—thank you for your question. In my fair assessment, the code of conduct is quite standard, I would say. If you just behave as a responsible, ethical interest representative, you are not really at risk of breaching it unknowingly. What the code of conduct specifies, for instance, is that you should always be transparent about the interests that you represent, whether it is for a client and which company you work for. You should not use misleading information, and you should fill in the Register with accurate data. If you are acting as a proper, responsible



interest representative, I do not think there is anything in there that could surprise you—"Oh, I've breached the code accidentally."

How is compliance monitored? There is the Secretariat, which of course checks the information that is uploaded in the Register. They even have some automatic software that detects inconsistencies: if your revenue would not logically be associated with your staff size, for instance, this software system would detect that. Next to that, there is a complaints procedure, so if anyone—it could be a policymaker, a journalist, a competitor—notices something that is in breach of the code of conduct, they can start a complaints procedure at the Secretariat.

If there is a breach, the Secretariat can decide to set up an investigation procedure. This entire procedure is laid out in annex 3 of the IIA, and ultimately it can lead to suspension or even removal from the Register, which of course has important implications for consultancies such as our members. First, you are not really able to fully perform your interest representation activities, and secondly, there is of course reputational damage that is linked to being removed from the Register. Even though it is not a sanction, a penalty or a fee, it still has quite important operational and financial implications.

Q164 **John McDonnell:** María, have you any comments on that?

María Rosa Rotondo: From my perspective, codes of conduct are one of the things that can be more easily tweaked and adapted to the very specific national realities. For example, here in Spain, we have a principles-based code of conduct, which is self-regulation from our association. That provides a lot of room for countries to really make a code of conduct that is sufficient for their realities.

However, I would like to highlight that when regulating lobbying, it is very important to trust the supervision and sanctions—you definitely have to have sanctions—of the independent authority. This is perhaps not so obvious, but in Spain, we have some issues with this at the moment, with some legislation in process. The authority implementing the code of conduct and, in general, the obligations associated with the Register has to be independent from both the Government or the Parliament and the lobbyists.

Q165 **Karin Smyth:** If we could move to the issue of sanctions briefly, there are currently no fines or legal sanctions to ensure that lobbyists comply with registration requirements. In your experience, should there be? How proactively is that monitored? Mr Van Hecke, do you want to go first?

Matti Van Hecke: Sure. Indeed, there is an investigation and complaints procedure; there is not the possibility right now to give penalties or sanctions, but again, being suspended or removed from the Register, combined with the reputational damage it could cause, would still have very severe and strong implications for the industry. Even though there is not the possibility to sanction with a financial penalty, I still think that the enforcement on the side of the lobbyist—the interest representative—is quite strong in the EU system.

Q166 **Karin Smyth:** Do you want to expand on that a little bit for us?

Matti Van Hecke: Sure. One of the conditionality measures that is in place is that certain decision makers can only meet with registered lobbyists. If you want to be part of an expert group in the European Commission, you must be on the Register. If you want to request an ID badge to access the European Parliament, you must be on the Register. If you are removed from the Register all those benefits are no longer possible for you, which would hamper you in your operations. Again, it would be published on the website, so you would have NGO watchdogs, such as Transparency International or Politico, running headlines on how company data has been removed from the Register due to a breach of transparency regulations; that would not benefit your business. There is of course an ethical conflict, but there is also a strong operational incentive to comply with the code of conduct and the provisions of the Transparency Register from the perspective of the industry representative.

Q167 **Karin Smyth:** Ms Rotondo?

María Rosa Rotondo: I have nothing to add; I think Matti explained it sufficiently. Our business as lobbyists is based on reputation, and the reputational damage is oftentimes good enough. We are not against financial sanctions or these kinds of things, as we think that enforcement is important, but I have nothing else to add.

Q168 **Karin Smyth:** And what about the monitoring of disclosures for accuracy and completeness? Do you feel that that is done sufficiently?

Matti Van Hecke: Yes. If I am basing my answer on the questions that I get asked by my members or through emails, yes. Transparency International is also on the Transparency Register, and I heard from them that they also get controls from it—maybe Vitor can add to that later. Controls are rather proactive and quite regular, which basically means that they can ask questions. If they see certain irregularities or inconsistencies they ask us questions, and we just reply and provide them with information. Until now, that has been sufficient. I have no knowledge that within the membership of EPACA any investigative procedures have been started.

Chair: Could I bring in Lloyd Russell-Moyle? I think he has a supplementary question.

Q169 **Lloyd Russell-Moyle:** You have mentioned Transparency International a number of times. They tell us that in 2019 only about 50% of the 4,600 spot checks that they did were fully accurate on the Register. Is that them being overly picky, or is it that there is a systemic problem there—that 50% of the 4,000-odd that they checked were not accurate?

Matti Van Hecke: I think that Transparency International and Vitor are best placed to answer that question. The role that we have played as EPACA is to inform our members on how to fill in the Transparency Register. It is not that easy—there are differences in what you must fill in when you are a consultancy, when you are an in-house lobbyist, or when you are an NGO. Financial information that is requested can be based on



financial years, and there are questions about what happens if you are a multinational and you have different offices—you have one in Brussels and you have one there. What happens if, for instance, you are lobbying the Czech Minister in Prague. Is that an activity that is covered by the EU Transparency Register or is it a national activity? I am not denying that there might be some flaws or irregularities in the Register, because it is quite complex for registrants to understand exactly how to fill it in and what to do in response to some of the issues or questions that I just mentioned. One of the important missions of EPACA is to provide that dialogue between registrants and the Secretariat to ensure that everyone is on the same page in terms of expectations on how to fill in the Register.

Q170 Lloyd Russell-Moyle: So your perception of that 50% is that it is probably technical complications in filling in the form, rather than deliberate manipulation?

Matti Van Hecke: Based on my own experience, yes. In order to become a member of EPACA, you must be on the Transparency Register, but I have not come across organisations that would deliberately not give accurate information. Again, you can also not be on the Register, so why be on the Register and risk giving inaccurate information that could lead to investigative procedures? That would be my conclusion.

Q171 Karin Smyth: The conditionality principle should mean that access to policymakers for those firms is prevented or at least curtailed. How effective do you think that has proved to be in practice?

Matti Van Hecke: Your question is about how effective conditionality is? One of the big reasons why people want to be on the Register is to be able to have these meetings. That is especially true from a consultancy perspective; if you are on a pitch and you are not on the Register, then you have a competitive disadvantage compared with the other consultancy that is also pitching.

It has a strong effect, but it could still be broadened. As I said before, every MEP should meet with only registered lobbyists. That should also be the case in the Council; I know that Transparency International and Vitor have a strong opinion on that. Right now, only the presidency meets with only registered lobbyists, but that is a bit bizarre because decisions are taken by 26 other countries. It is important, and it is leading to more and more organisations wanting to be on the Register. Is it impossible to have meetings with decision makers if you are not on the Register? No. But it means that you also have to regulate your private life, or spontaneous meetings or phone calls with people. That is incredibly difficult to do. It would mean that you have to operate off the grid, in the shadows. Based on my own perception of the industry that I work in, that is not the optimal way to conduct public affairs.

Q172 Karin Smyth: I am sorry to interrupt you. We have had our own issues with WhatsApp, for example. How is compliance monitored?

Matti Van Hecke: I would have to check to be sure, but right now the rule to meet with only registered lobbyists applies only to meetings taking



place in EU institutions or on the premises of EU institutions. Also, the publication of meetings is related to meetings taking place on the premises of EU institutions, so it does not regulate all meetings that could happen or all communication forms between an interest representative and a policymaker. Sorry, it is just coming to me now that there was a big discussion—or sort of an issue—during the covid crisis, because physical meetings were becoming very uncommon. The Secretariat issued a statement that a video meeting would be considered to be a personal meeting, so video meetings are now also considered to be meetings. However, the Transparency Register only covers official meetings taking place between interest representatives and policymakers, not all forms of communication.

María Rosa Rotondo: If I may add, this is very much connected to the definition of lobbying that you include in your legislation. For example, we advocate for a broad definition of lobbying that includes not only meetings—which are important—but events, PR work, campaigning and social media campaigning. The outcome of a broad definition of lobbying is that if I engage with an MP or an official via WhatsApp or Twitter, or if I find him or her in the corridor or on the street, I should behave equally responsibly and according to my own set of rules and code of ethics. A broad definition of lobbying and lobbyists, with a mandatory registry, should cover these kinds of activities, which are the difficult ones to monitor and regulate. As we always say, the fact that killing is forbidden and subject to strong sanctions does not thoroughly avoid criminal activity. Let's focus on what we really want to be effective.

On the conditionality question, let's not forget that lobbying is not mandatory in the European Union because of the treaty issue. However, we always say it is a false voluntary regime, because it is apparently voluntary, but there is nothing you can do if you are not registered. In countries where we do not have this limitation, registration has to be mandatory and universal, meaning that there are no exceptions and there is an obligation to register instead of leaving people to volunteer.

Karin Smyth: That is very clear, thank you.

Chair: Thank you. The final question to this panel is from John McDonnell.

Q173 **John McDonnell:** This is your chance to lobby us. Are there any parts of the European system of regulations that we should look to adopt in the United Kingdom?

Matti Van Hecke: Thank you for your question. I think a couple of those have already come up—they were recently mentioned by María Rosa. A broad definition is extremely important, and also a definition that defines the activity rather than the organisation or the type of person conducting the activity. That gives a non-discriminatory approach and covers all types of lobbying and interest representation. That is one of the important lessons we have taken from our experience with the EU Transparency Register.



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Secondly, you need to create incentives that are linked to registration and make registration a positive thing—make transparency a positive thing. You need to ensure that people want to be on the Transparency Register. It is a system that seems to be working; it even works too well—too many people wanted to be on the Register. That also creates a good atmosphere.

Thirdly, this might seem a bit obvious, but it is to digitalise your registration form and automate your processes where possible. The reason why I say that is that I also have some experience with the Belgian lobby transparency register; that is just a PDF form that is updated fairly irregularly. The system that we have in the EU is quite advanced. There are automatic links between the registrant and the publications or submissions that an organisation has done for consultations, or the list of meetings it has had. Digitalising that and automating it where possible gives it a state-of-the-art feel that people want to be part of. That is very important.

My last suggestion would be to involve representatives, NGOs and industry representatives in the development and implementation of that regime, to avoid any implementation issues that might occur.

Q174 **John McDonnell:** María, are there any final words from you?

María Rosa Rotondo: I would just add on to everything that Matti has said on mandatory Register data. For a good transparency regime, publication of the agendas of public officials is an easy tool to introduce transparency. It is also very cost-effective. Of course, there are sanctions from the independent authority that supervises both sides of the relationship. There should be very clear regulations on revolving doors that avoid conflicts of interests but still mean you are able to attract good professionals to policymaking. The legislative footprint is also very important. There should be some kind of footprint of the lobbying action, or the participation action—because not everything is lobbying—in a certain group.

If you want to move forward and align the regulations in your country with those fit for the 21st century, you have to define things such as undue influence and covert influence. That is why I was referring to the OECD work in that regard. You may also have to look at social media and media transparency, to see who is behind certain campaigning that goes on in the online world and the PR and media world. That touches on very sensitive issues. I am not saying that it is easy, but in answer to your question, it is effective.

John McDonnell: That is really helpful. Thank you very much.

Chair: Thank you very much indeed. I thank both witnesses for giving their time and expertise to the Committee—we are all very grateful indeed. You are welcome to remain on the call if you wish to listen to our second panel.

Examination of witness

Witnesses: Vitor Teixeira.

Chair: We move seamlessly on, by means of modern technology, to our second panellist, Vitor Teixeira, who is senior policy officer at Transparency International EU. We have questions beginning from me. Good morning, Vitor.

Vitor Teixeira: Good morning. Thank you for the invitation.

Q175 **Chair:** It's a pleasure. How confident are you that all those who should be registered to lobby at European level are registered, or is lobbying being conducted by those outside of that Register?

Vitor Teixeira: Thank you for the question. I would say I am not confident, or fairly confident. It is true, as Matti has mentioned, that the Register is voluntary, but because of all the conditions it cannot be guaranteed that everyone who is lobbying is registered. Having said that, because of the conditionalities that are in place and because it is so much easier to conduct your advocacy or lobby work if you are registered, to a high degree I would expect most lobbyists to be registered, because otherwise so many doors are just closed to you. Senior officials of the Commission would not be able to enter the European Parliament and, as Matti mentioned, since covid, with the increase of online meetings, the Commission still takes this as a lobby or advocacy meeting, so you would still have to be registered.

But ultimately, the system is voluntary. You don't have to be registered if you don't want to be, or if you believe that it is best for you not to be registered, because if you're not registered, for example, you don't have to follow a code of conduct. But I would expect the great majority to be registered.

Q176 **Chair:** Okay. But if lobbying is being conducted outside of the Register, how is it possible for that to be permitted under the scheme?

Vitor Teixeira: With lobbying I will take the definition of any activity with the intention to influence decision making or policymaking and the policymakers. Taking that definition, the interinstitutional agreement at European level sees that some entities are not covered by the Register. Public authorities of member states would not be registered, although, of course, in their meetings they might have an interest. Associations or networks of authorities, intergovernmental organisations, political parties, churches or religious associations—they fall outside of the Register. But on the other side, if they would have an office representing their interests, that office would have to be registered. So, the current scheme does allow for certain exceptions.

Chair: That is very helpful; thank you for that. My colleague Tom Randall, please.

Q177 **Tom Randall:** Thank you, Chairman. Vitor, how big a concern is lobbying by firms based outside of the EU? Are they required to register and, if so,



how is that enforced?

Vitor Teixeira: I should say a priori that I will have a slightly different view on some of the issues from the previous speakers. We do work very often with EPACA and other lobbyists in Brussels. Having said that, our view is rather systemic—they represent the interests of consultancies. I should mention at this point that, although consultancies get a lot of the attention, a lot of the spotlight and a lot of the scrutiny, they represent only 5% of the organisations in the Register. If you look at the consultancies that have an interest, they have an interest in being as transparent as possible because it is a normalisation of the profession, which is understandable.

If you look at the other 13,000 registrants—there are now 13,600—the reply might be slightly different. Right now, 17% of the 13,600 are based outside of the EU, but the caveat is that that is how they have been registered; that is how they register themselves in the system. For example, if you represent the interests of, let's say, an American company, but you have a representation office legally based in Brussels, you might register yourself as in Belgium, although ultimately you represent interests from outside of the EU. The 17% cover only those that mention that their physical office is based outside of the European Union.

Q178 **Tom Randall:** The European Register seems to require a lot more information to be disclosed than the UK one. Is all that information useful? Is it all the information that you would want to be included in any such register?

Vitor Teixeira: Our view on the Transparency Register is perhaps rather different from that of many other lobbyists. I am a lobbyist myself. I am pushing for a certain anti-corruption, pro-transparency agenda; I still lobby policymakers. The Transparency Register is a tool for the protection of the policymaker. I am here today representing TI EU and talking to you because someone has vetted that I in fact represent Transparency International. If you are writing a piece of legislation that will impact millions of citizens and perhaps millions of businesses—small, medium or large—and I am trying to influence that legislation, you as a policymaker need the information that will allow you to vet me, so you know that I am the person I say I am and that I defend the interest that I say I defend. You need to be able to see our past activities and our public positions on a certain topic.

That relates to the ability to confirm whether we are who we are, and whether we are complying with a code of conduct, for example, in which I should not misrepresent my interests or be able to outright lie to policymakers, as I could if the code of conduct were not there. The Transparency Register protects policymakers so that they can make informed decisions. The information there is therefore absolutely necessary for people to assess the representative who is in front of them, put a face to a name and be able to contact them if needs be. You need to know which person has legal responsibility. If you want to contact those people, have input from them or proactively reach out to them, you need



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to have a contact whom you are able to reach. You need to be able to see all that information. Yes, the information that is there is useful for you as policymakers.

At the same time, it is useful for other lobbyists who want to connect with others, create broader networks and coalitions, and make their voices heard on legislation that will impact their businesses. I understand that lobbying often has very negative connotations, but everybody has the right to be heard on a piece of legislation that will impact their daily lives. Of course, transparency is not just the availability of information; if we just data dump the information out there, it is not very useful. All the information has to be categorised, as it is on the Transparency Register of the European Union, and it has to be available in a way that is user-friendly.

Does it have all the information I would like it to have? No. There are many issues with the information as is. For example, if a large organisation with a lot of resources is able to do advocacy at multiple levels right now, a large part of the advocacy it conducts at the European level can be seen. But very often we have zero clue, as Matti pointed out, because only a very small number of countries have legislation on lobbying. If the organisation is active at the national level to influence the decision making at the European level—multiple-level lobbying—that is not seen. That is also true of the register at the national level versus lobbying done at the regional level to influence policymakers on legislation that will impact on an entire country.

One thing that we would like to see on a register, therefore, is a unique identifying number. Instead of each registry having a different number, each lobby organisation would have one number that you can track across the local, regional, national and supranational levels, so that you can truly see the lobbying or advocacy that they are conducting.

Another thing we would like to see is better connections between the information. For example, a consultancy has to declare its clients, how much it will pay and so on, and the client needs to declare how many consultancies it has hired, and so on. But they are not necessarily connected. If you go to the entry for a consultancy, you can see the client, but then you have to research each client on its own. A simple link to the correct entry, to the client that is described, would make it a lot easier for policymakers to go through an entry to see exactly the connections between the different players and organisations on the Register.

That is true not only for consultancies, but for members of an association and so on. The connections between the different platforms, and a platform on which all the legislation is described—for example, at the European level, the Legislative Observatory of the European Parliament is where you can see who the rapporteur and the shadows are, when the vote was, what the amendments were and so on—should be linked to the Transparency Register, but they are not. Therefore, better connections and better user-friendliness of the data are very important.

Q179 **Mr Jones:** Registration requires compliance with the code of conduct. How effective is that at ensuring that lobbying is conducted in a proper manner?

Vitor Teixeira: As Matti mentioned, the code of conduct is a standard. As a lobbyist, you could not be surprised—you cannot be behaving in a manner that is considered appropriate and ethical, and be breaching the code. You should mention which interest you represent and who you are, and you should not lie or mislead policy makers, and so on. The code as is does set the limits and standards that one would expect.

As has been mentioned, the question is then one of monitoring and sanctioning. The best rule in the world is useless if it is not followed up when a breach occurs. Ultimately, it is about the level of monitoring you want to put in place and the resources you want to set for that monitoring. When I say monitoring, I mean proactive monitoring because right now the European-level Transparency Register is extremely reactive. It is dependent on complaints by other registrants, so it puts the onus on other registrants to ensure that organisations that are also on the Register are acting as ethically as all the other 13,000. It should be up to the Register itself to ensure that the code of conduct is being followed.

Q180 **Mr Jones:** Just to be clear, there is no proactive monitoring of compliance. Is that right?

Vitor Teixeira: I cannot say there is absolutely none in terms of the code of conduct but, from our perspective, it is heavily reliant on complaints by other registrants, as was mentioned. Although the Transparency International assessment was not on the code of conduct, it was on the information being put on the Transparency Register. On that point—the information being put on the Transparency Register—there is monitoring.

Q181 **Mr Jones:** You mentioned the issue of sanctions. What sanctions exist for non-compliance?

Vitor Teixeira: If there is non-compliance, they might be removed from the Register—well, they would have their entry suspended for a period of time, as long as there is an investigation. There would be an actual sanction on a breach. It could go from 20 days to two years.

Q182 **Mr Jones:** There are no criminal sanctions.

Vitor Teixeira: It has to be seen that the problem—also the lack of fines—is the legal basis because the current Transparency Register is based on an inter-institutional agreement between the three main EU institutions. The three institutions came together and agreed that they would put in place these rules, which basically apply to themselves. There are no criminal sanctions because of the way the legal basis is set.

Q183 **Mr Jones:** As I understand it, there are also no fines that could be imposed by any of these institutions. Do you think there should be?

Vitor Teixeira: Again, the legal basis does not allow for that, but Transparency International has been discussing at a European level that



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when it comes to European legislation and legislation policymaking, the sanctions are often insufficient because they are very extreme. You either have no fines or you have a ban from the Register. If you set up a lobbying system, there should be in-between sanctions for different types of breaches.

Q184 Mr Jones: The conditionality principle appears to mean that access to policymakers for representatives of firms that are not registered is prevented or at least significantly curtailed. In practice, how effective has that proved?

Vitor Teixeira: I would say it has been shown to be a good step by the European institution. On “no registration, no meeting”, the decision was taken by the European Commission that if you are not registered, you cannot meet commissioners, Cabinet members and directors general—that is, the senior level. When the Register came into force in 2011, the number of registrations went up to 5,000 immediately. It then went slightly up to 6,500 or 7,000. When the rule came into place in December 2014, the number of registrations jumped. It jumped very quickly up to close to 12,000 or 13,000 organisations. As Matti mentioned, it continues to rise, or sometimes even stagnates, because of the checks that are being conducted by the Secretariat on the quality of the information in the entry in the Transparency Register. The conditionality principle had a direct impact on the number of registrants on the Register.

Q185 Mr Jones: Matti also mentioned that the issue of access under these conditions was confined to formal contexts, on the premises of the various EU institutions. That does, it seems to me, make it possible for other meetings to be taking place, off the premises or in less formal contexts. Do you think that this is a problem in practice?

Vitor Teixeira: As I mentioned, the Transparency Register is a tool that policymakers can use for their own protection when they need lobbyists, and for lobbyists to show that their interests are valid. If you want to go around the rules, you will always find a way. For example, if you want to meet a person outside the premises of the European Parliament as a lobbyist, you can. Ultimately, it is the decision of the policymaker, the Member of the European Parliament, or the assistant. They actively choose to meet that person outside the premises of the Parliament. Ultimately, the decision to meet the lobbyist is taken by the policymakers themselves. It is possible under the current rules to meet without being registered, although I would say that it is rather difficult to get Members of the European Parliament to leave the Parliament to meet you in the café right in front. It would be a lot easier to simply register.

Q186 Mr Jones: Again, I take it that compliance in this context is not proactively monitored. Is that right?

Vitor Teixeira: I want to make a distinction. If we are looking at the monitoring of the quality of the entries, that responsibility falls under the Secretariat of the Register.

Q187 Mr Jones: I meant in terms of complying with the conditionality principle



and the issue of access that we have just been discussing. I take it that that is not proactively monitored. Is that right?

Vitor Teixeira: Right now, the ethical framework of each European institution is the due responsibility of that European institution. For example, the Commission has an ethics body that is consulted by the President when there is a belief that there was a breach, or a potential breach, of the code of conduct for commissioners. There are sanctions in the case of a serious breach. Commissioners might be forced to retire or even lose their pension if it is considered that there was serious misconduct. Again, our assessment is that the system, to a very large degree, on the conditionality or on the part of the code of conduct will be reactive. It relies on a scandal coming out in a newspaper, or on a complaint by an individual or organisation.

Q188 Lloyd Russell-Moyle: I want to be clear on what we were talking about just a second ago. You say that the Register does not cover people who are meeting outside the premises. If you are a commissioner or a DG, is it the case that your office could book a meeting and you just go around the corner to the Greek restaurant behind the Commission and have a meeting, or do you mean that if it is booked officially with commissioners, no matter where it takes place, it would have to be registered? I understand that an informal meeting in a restaurant does not need to be covered, but is a formal meeting, booked by a lobbyist, where the lobbyist invited a commissioner out and it was booked by their diary secretary, declared by the commissioner?

Vitor Teixeira: To answer the question, we have to make a distinction between two institutions—that is very important. One of the conditionalities set is that you cannot enter the European Parliament. You need a badge as a lobbyist to enter the European Parliament and you cannot enter if you are not registered.

Once you enter the European Parliament, you can meet the people who decide to meet you. In the European Parliament, people might choose to leave the premises. There is only an obligation to publish by Members of Parliament who have an added role in legislation. If they are a rapporteur, a shadow rapporteur or a Committee Chair, they have an obligation to publish any meetings. You do not have the obligation if—

Q189 Lloyd Russell-Moyle: Any meeting, including outside the building?

Vitor Teixeira: They have the obligation to publish any meeting related to the file in which you have that added responsibility. It is not related to whether the meeting occurs on the premises or not, but to enter the premises you would need a badge.

Q190 Lloyd Russell-Moyle: That is for the Parliament. What about the Commission?

Vitor Teixeira: At the European Commission—their high level—the rule is no registration, no meeting. That is not dependent on whether it happens inside or outside the premises: if you are not registered you cannot meet commissioners, Cabinet members and directors general.



Q191 Lloyd Russell-Moyle: Thank you; that was an important clarification, to my mind. The institutional agreement covers lobbying of the Commission, Council and Parliament, but other EU institutions, bodies and agencies are encouraged to comply but are not required to do so. We know that a lot of the decisions are made at agency level, so to what extent are they complying with this voluntarily? If they do not, how significant is the impact on the integrity of policymaking if they do not comply with it universally?

Vitor Teixeira: I can answer this question only partly. Some of the other bodies have very specific work—you could be talking about the European Court of Justice or the European Central Bank. You also have a number of decentralised agencies—I believe there are above 30—and other types of bodies. From what I know, two agencies have their own transparency register. The reason why they are encouraged when they don't actually participate is, again, the legal basis, because it is an agreement between the three main institutions.

It is not possible to assess the limitations and say what those limitations are without having more of the other institutions and bodies participating. For this reason, we have called for every single body and agency to be included in the lobby legislation.

Q192 Lloyd Russell-Moyle: Which two have their own registers?

Vitor Teixeira: Frontex, I believe, but I do not recall the other one—apologies.

Q193 Lloyd Russell-Moyle: So the European Central Bank, which does the regulation and safety checks for national banks and has been pretty detrimental to the business of many banks in those checks, has no lobbying register?

Vitor Teixeira: A couple of years ago, I personally wrote to every agency asking them to publish. We received around 10 or 11 replies—this was around five years ago—saying that they would start publishing the meetings of their directors. That is not the publication of the agenda but, in a sense, it is a transparency register governing the interactions between every person in the agency and lobbyists, as far as I know is true. Of course, they might publish meetings between the director and lobbyists, but that is not part of the transparency register.

Q194 Lloyd Russell-Moyle: That is very interesting. I suspect that, as you indicated, you would like to see it widened out. The UK lobbying register is meant to complement the release of the information about Ministers' and senior officials' meetings. Given the more comprehensive scope of the EU Register, how important is the release from the Commission, the Council and senior Parliament Members about their meetings? Is there anything that automatically tallies up the two—the lobbyists and the release—to make sure they are both accurate?

Vitor Teixeira: I would like to make a distinction between the two. The Transparency Register is a tool that allows people to understand who those people are meeting and engaging with and have information if they



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would like more. If they want to know about other policies or positions, they can check that.

The publication of meetings is very important because it allows several things. First, let us say you are a policymaker—in this case, it is easy to imagine—and you would like to reform some legislation that was passed a few years ago. If you want to see which actors were engaged in the past, you would be able to see that. You would be able to see who had engaged with this type of this legislation and this type of topic, and you might want to reach out to them. It allows you to map the potential stakeholders and people interested in this type of legislation, who are able to give you information.

Ultimately, that creates a level playing field. Lobbying is connected to the democratic system as it allows people to reach out to their policymakers and say, “I have an interest in this policy. This will really impact my life and my business. My view is this, this and this.” That ensures that it is not only those with the largest resources who have a say in policies that will impact many others who are much smaller and have much fewer resources.

You as an individual policymaker are able to say, “In the last year, I met this, this and this person,” but if you take a systemic approach of all the policymakers and individuals involved in drafting the legislation, going step by step, you will be able to see how many stakeholders were engaged and the degree of their engagement, and whether you are missing a voice that you would like to hear.

There is a great example of that. During the 2008 financial crisis, Members of the European Parliament recognised that they never heard the voice of civil society organisations when it came to financial services. The publication of meetings created that realisation, and the European Parliament called for the financial support of NGOs in this field, which as a direct consequence created Finance Watch—a civil society organisation working in the field of financial services.

Q195 Lloyd Russell-Moyle: I get the advantages that you are talking about, in terms of releasing and recording information so policymakers can improve their effectiveness—I buy all that. But do you see it as important that that information is linked to the lobbying Register, or is it enough that they are separate releases that are treated separately?

Vitor Teixeira: I would say that they should be linked. A journalist, a citizen, a civil society organisation or anyone who has a special interest in a specific topic should be able to see that an organisation has met this level of Government to discuss the topic, because they might be engaged with many topics. That should be linked to how much they are engaged, how large they are and their ability to influence. The information needs to be there for not just policymakers, but everyone who is interested in the legislation, to be able to fully understand the picture and how you ultimately come to the outcome of the legislation that is ready.



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Q196 Lloyd Russell-Moyle: But there is no link between the two at the moment. They are separate. That requires individuals or yourselves to dig in the different registers to try to match them up. Am I right to say that there is no official body that makes sure that the Register and the releases are tallying up? Is the range of people expected to release information wide enough? It is only senior MEPs and senior Commission officials, down to DG level. Am I right?

Vitor Teixeira: Yes. Directors general. We would like it to be the people who have an impact on the ultimate outcome of the legislation and who are meeting lobbyists. If lobbyists are meeting you, as a policymaker, it is clearly because they believe that at some point and somehow, to a certain degree, you have an impact on the outcome.

Q197 Lloyd Russell-Moyle: What level would you go down to? Would you include all MEPs and all Commission staff?

Vitor Teixeira: I will give you an easier example. If you meet a Member of Parliament, you have the obligation, but if you meet their assistants, there is no obligation attached. If you meet the policy adviser of the political groups who is directly working on the file and often helps to draft the amendment, there is no obligation related to that. The targeting very much goes to the person in the spotlight, which is the MEP. People who are supporting the work of the Member of Parliament do not have any rules. We would like the rule to apply to the people supporting that work.

Q198 Lloyd Russell-Moyle: So people who support MEPs. The people who really draft the process in the Commission, like in any Government, is the civil service. At what level does it go down to in the civil service to have that requirement? Should it be stagiaires and interns? Should they also have to fulfil the Register?

Vitor Teixeira: Ultimately, it is up to each system to decide what is the relevant level in their system.

Q199 Lloyd Russell-Moyle: From Transparency International's point of view, where would you put that level?

Vitor Teixeira: What we have defended in the past was the level of head of unit.

Q200 Lloyd Russell-Moyle: That is useful, because it gives us an idea of what level is equivalent. Are there consequences for people who do not release information about meetings with lobbyists? You said that at Commission level there was some consequences—you could lose your pension or be fired. That seems like quite a high-level consequence that is probably never or rarely done. Are there any consequences for MEPs that are not firing and losing your pension?

Vitor Teixeira: For Members of Parliament there are fines in place. The largest sanction is losing the final 30 days of their income. You have the obligation under the code of conduct for Commissioners to behave in a way that does not put in jeopardy the image of the European institutions. You have the obligation to behave responsibly. Breaching the rule of no



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registration, no meeting would be seen as a breach of the ethical rules. You could lose your pension or could be forcefully retired.

Q201 **Lloyd Russell-Moyle:** Has that ever happened?

Vitor Teixeira: When it comes to sanctions, they are very weak. I can give as an example that in the past five years of the parliamentary term, 21 MEPs were deemed to have breached the code of conduct. It was considered that they did breach the code of conduct, but in no case was there a sanction.

Chair: On that cheerful note we conclude our session. Vitor, thank you very much for being a witness on our second panel. I reiterate my thanks to all our witnesses. This session has been extremely helpful, and we are grateful for it as part of our inquiry.