

COMMUNICATIONS GUIDANCE FOR MPC MEMBERS

General

The MPC is a Committee of the Bank. It has responsibility within the Bank for formulating monetary policy. The Bank's objectives in this area are set out in statute and in an annual remit set by the Treasury.

The Bank's effectiveness depends upon its authority, its reputation for rigorous analysis, its integrity and its independence. Members of the Monetary Policy Committee have a special responsibility to promote the reputation and integrity of the Bank and its decision-making processes. They are subject to a statutory Code of Practice relating to conflicts of interest. And they must at all times avoid statements and conduct that could in any way undermine public trust in the Bank.

Communications

The published minutes of the MPC's meetings record the votes of the members. Members are fully entitled to explain their policy position in public but in doing so should respect the best collective judgment embodied in the Monetary Policy Report and the Forecast. They should express their views in a way that maintains the Bank's reputation for constructive policy debate.

Statements

It is recognised that the MPC may wish to keep open the option, outside the normal policy round, of making a collective statement, in response to particular circumstances, for example when the MPC believes there are misunderstandings in the markets, so that clarification would be helpful. Such statements will be made only by the Governor, as chair of the MPC.

Speeches and other media plans

MPC members must channel through the Press Office any requests they receive for interviews, articles and formal or informal meetings with the press and other media (including social media). Where the subjects under discussion bear no relationship to the activities of the Bank in general or to membership of the MPC they should still keep the Press Office informed.

In the interests of coordination, the Bank's Press Office will, with the help of MPC members' secretariats, maintain a database of: all speaking engagements; media plans; planned contacts with commentators and journalists; and regional visits. It will endeavour to ensure that communications from the MPC and its members are orderly and effective. Where speeches articles and other media contributions cover economic issues relevant to the decisions of the MPC, members must give the Governor an opportunity to comment on the content at least 48 hours in advance, along with other members and the Bank's Press Office. Members must also circulate to the Bank in advance, through the Press Office, speeches, articles, and other media contributions relevant to the work of the Bank - eg financial stability and regulation, European monetary arrangements and payments systems.

In considering invitations to meet with individual firms or attend meetings sponsored by them, members should weigh the benefits against the possibility that they are handing the firms concerned a competitive advantage, or may be perceived to do so. Such events may be a useful source of market intelligence. However, the Bank must ensure that this access is not confined to a select number of organisations. Comments made by the member should be kept to material already in the public domain and care should be taken not to say anything that might be construed as private information with a bearing on future monetary policy decisions. A Bank notetaker should always be present.

Quiet Period

MPC members must not give speeches on monetary policy matters or talk to the media or other outside interests, on or off the record on such matters, from the point that the pre-MPC meeting is held (generally eight or nine days before the decision is announced), until the policy announcement is made. Individual MPC members should also refrain from making any comment, on or off the record, about their personal view or vote on the day of the policy announcement (Thursday). However, there is dispensation to talk publicly about the committee consensus once the decision has been published. MPC members must avoid arranging off the record contacts with the media, including lunches, dinners and other meetings, during the quiet period, to avoid accidental embarrassment, which is likely if the journalists concerned publish information or speculation about the MPC from other sources.

The purpose of the quiet period is to prevent public speculation about MPC decisions. The restrictions should be regarded as covering speeches or public discussion of the UK economy, interest rates, the foreign exchanges and any other domestic or international issues related to the

current decisions and voting of the MPC. Any topic likely to appear in the minutes of the monthly meeting or in the Monetary Policy Report would normally be covered. Interviews on the restricted topics should not be given outside the quiet period for publication or transmission inside it.

The Inflation Target, and Fiscal Policy

Members must at all times refrain from publicly questioning the inflation target set by the Government. They are also advised not to comment publicly on fiscal policy, other than its implications for inflation. Such comments should focus on fiscal policy in terms of the prospects for monetary policy and avoid comments on individual fiscal measures. Since the MPC may give confidential advice to the Chancellor on fiscal policy ahead of a Budget, members should also avoid comments on what should be - or, after the event, should have been – included in that Budget.

Secrecy

Members must not make statements that might give clues to developments in monetary analysis that have not been disclosed, or that might confuse or mislead the public about monetary policy. They should not provide detail of the MPC's discussion beyond what appears in the published record (the transcript is published after an eight-year lag). Where they express personal views about monetary policy and other matters of public interest, members should consider carefully whether these might create misunderstandings of the MPC's actions, impair the formulation of policy or undermine the standing of the Bank.

In addition, members will from time to time receive privileged access to confidential official statistics on a pre-release basis, as sanctioned by the National Statistician. Members must ensure that they give no clues as to the nature of those statistics to anyone not in receipt of similar privileged access to those data.

Financial Stability

MPC members who are members of the FPC – and therefore subject to the analogous quiet¹ period regarding FPC – may find that it is necessary to speak on financial stability matters during

¹ From the day of the FPC meeting to the day after the publication of the record of the FPC meeting.

an MPC quiet period. If that is the case, then they should do so only very carefully and ensuring that they avoid discussing anything to do with monetary policy.

Those MPC members who are not members of the FPC should as far as possible avoid discussing FPC decisions. This would not preclude more general comments – for example on the design of policy frameworks – but MPC members should in particular avoid speaking publicly about any aspect of macro-prudential policy during the FPC quiet period. It must be made clear in both publications and speeches that any remarks are made in a personal capacity.

Political Involvement

MPC members should, while in office, avoid any public association with a political party, including by becoming a member, making donations or by speaking or writing in its support.

Lectures and academic journals

Members of the MPC should treat public lectures and publication of academic research in professional journals – in the UK or internationally - in the same way as speeches, and must keep the Press Office informed of all events, whether public or private, where it is likely that MPC matters may be discussed, giving the Governor and other MPC members an opportunity to comment on the content.

Where MPC members' teaching programmes touch on monetary policy or closely related fields of economics, they should bear in mind the importance of avoiding speculation in any quarters about the MPC's decisions.

Leaving Office

This Code continues to apply for an agreed period after the end of the MPC member's engagement, either at the expiry of the fixed period, or at any other time. Provided the MPC member continues to comply with this Code, the agreed fee will be payable for the additional period.

Approved by Court

2 December 2019