

July 2013

Tribunal Panel Member Statement of Independence

Guidance Notes

The FRC is responsible for promoting high quality corporate governance and reporting to foster investment. We set the UK Corporate Governance and Stewardship Codes as well as UK standards for accounting, auditing and actuarial work. We represent UK interests in international standard-setting. We also monitor and take action to promote the quality of corporate reporting and auditing. We operate independent disciplinary arrangements for accountants and actuaries, and oversee the regulatory activities of the accountancy and actuarial professional bodies.

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8th Floor, 125 London Wall, London EC2Y 5AS

Tribunal Panel Member Statement of Independence Guidance Notes

- 1 This Guidance is issued by the Conduct Committee under the Accountancy Scheme and the Actuarial Scheme. Both Schemes empower the Conduct Committee to provide any Tribunal with guidance concerning the exercise of its duties under each Scheme, who shall have regard to such guidance.
- 2 This document provides guidance to members of the Tribunal Panel who will be required to complete a Statement of Independence whenever they are approached by the Convener to serve on a Tribunal. The declarations in this form are designed to solicit information that might be relevant to a member's suitability to sit on a particular Tribunal. The form should be sent to FRC Governance and Legal, who will provide it to the Convener. It is solely within the discretion of the Convener whether any information provided should result in a member not being appointed to that Tribunal, or whether the information should be disclosed to the parties or on the FRC website.
- 3 It is crucial that members of a Tribunal should act, and be seen to be acting, objectively and impartially. They should be free of any conflict of interest or any perceived conflict of interest. They should not be biased or prejudiced and should not be involved in taking decisions where there is a real likelihood that they may be perceived to be biased or prejudiced.
- 4 A conflict of interest and/or suggestion of bias may arise in the following circumstances:-
 - Having a financial interest in any entity connected with a case;
 - Receiving or due to receive a pension from an entity connected with a case;
 - Being a current or former partner, member, director or employee of a Member Firm or Former Member Firm which is the subject of the Formal Complaint;
 - Being a current or former director, officer or employee of an entity connected with a case;
 - Acting or having acted in a professional capacity in relation to the subject matter of a case;
 - Having a spouse, partner or immediate family member who has one of the interests outlined above;
 - A close personal, business or family relationship with an individual or firm which is the subject of the formal complaint;
 - Previous involvement in a dispute with an individual or firm which is the subject of the Formal Complaint;
 - Involvement in other legal or disciplinary proceedings connected with a case;
 - A past or continuing professional involvement with any individual, firm or matter connected with a case;
 - Publication of views or comments relating to any individual, firm or matter connected with a case

- 5 Any information pertaining to these examples must be disclosed to the Convener. This list should be considered neither prescriptive nor exhaustive.
- 6 Members will not necessarily be precluded from sitting on a Tribunal simply because they make disclosures pursuant to Statement B of the Statement of Independence.
- 7 Some or all of the information provided may need to be disclosed if the member is to be appointed to a Tribunal. Such disclosure would never be more extensive than that necessary to ensure that there is transparency and to prevent any suggestion of perceived bias or prejudice. This may entail disclosure on the FRC's website. If the information given (including information about the value of an investment) in answer to any question is so sensitive that a Member would wish it not to be disclosed, or would wish to limit the circumstances in which it is disclosed, that should be indicated. The text of any disclosure will normally be checked with the member, but if it is not possible to contact the member and there is no indication of sensitivity the Convener will use his discretion and may disclose information declared either to the parties to a Formal Complaint or on the FRC's website.
- 8 When completing the form any doubt should be resolved in favour of disclosure.

**Issued by the Conduct Committee of the Financial Reporting Council
July 2013**

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The Tribunal to which you may be appointed will hear formal complaints arising out of the investigation into the following matters:-

and into the conduct of the following Member(s) and/or Member Firm(s):-

1. Please refer to the attached guidance notes and delete which of the following two statements, A or B, does not apply:-
 - A. I am independent of each of the parties, and I intend to remain so. There are no circumstances known to me likely to give rise to any doubts as to my impartiality or independence.
 - B. I consider that I am independent of each of the parties, and I intend to remain so, but I wish to disclose the following circumstances prior to my appointment:-

Other than the above, there are no circumstances known to me likely to give rise to any doubts as to my impartiality or independence.

2. I confirm that if I am appointed to the Tribunal and if I become aware of any circumstances likely to give rise to any doubts as to my impartiality or independence after the date of this statement and before the Disciplinary or Appeal Hearing is concluded, I shall disclose those circumstances to the Convener, the other members of the Tribunal and the parties.

Signed

Date.....

(Please send this completed form to Noranne Griffith, Conduct Lawyer, Financial Reporting Council, 8th Floor, 125 London Wall, London EC2Y 5AS or by email to n.griffith@frc.org.uk)



Financial Reporting Council

8th Floor
125 London Wall
London
EC2Y 5AS

+44 (0)20 7492 2300

www.frc.org.uk