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Industry Canada  
Office of the Ethics Counsellor

Industrie Canada  
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# LOBBYISTS' CODE OF CONDUCT

## ANNUAL REPORT

for the year ended March 31, 1998

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Canada 



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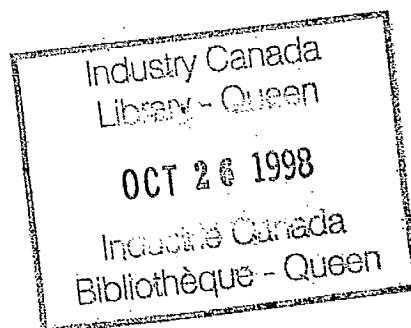
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This publication is also available electronically on the World Wide Web at the following address:

<http://strategis.ic.gc.ca/lobbyist>

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June 30, 1998

The Honourable John Manley, P.C., M.P.  
Registrar General of Canada  
House of Commons  
Ottawa ON K1A 0A6

Dear Sir:

I have the honour to present to you the third Annual Report on the *Lobbyists' Code of Conduct* for transmission to Parliament and in accordance with section 10.6 of the *Lobbyists Registration Act*. The Act requires the Ethics Counsellor to table a report on the exercise of the powers, duties and functions related to the *Lobbyists' Code of Conduct*. The report covers the fiscal year ending March 31, 1998.

Yours sincerely,

Howard R. Wilson  
Ethics Counsellor

Canada

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## INTRODUCTION

This is the third Annual Report on the exercise of the powers, duties and functions conferred on the Ethics Counsellor under the *Lobbyists Registration Act* for the *Lobbyists' Code of Conduct*. This report covers the period from April 1, 1997 to March 31, 1998.

## BACKGROUND

In July of 1995, the *Lobbyists Registration Act* was significantly amended to promote public trust in the integrity of government decision making. The amendments greatly increased the information that all paid lobbyists must disclose, and provided stronger measures for compliance and enforcement. Furthermore, the amended Act directed the Ethics Counsellor to develop a code of conduct for lobbyists in consultation with interested parties. There were extensive consultations, not only on the structure and content of the code, but also on the first and subsequent drafts. The code was then referred to the House of Commons Standing Committee on Procedure and House Affairs and subsequently published in the *Canada Gazette* on February 8, 1997. The *Lobbyists' Code of Conduct* entered into force on March 1, 1997.

## PURPOSE AND DESCRIPTION OF THE *LOBBYISTS' CODE OF CONDUCT*

The purpose of the *Lobbyists' Code of Conduct* (the Code) is to assure the Canadian public that lobbying is done ethically and with the highest standards, with a view to conserving and enhancing public confidence and trust in the integrity, objectivity and impartiality of government decision making.

The Code establishes standards of conduct for all lobbyists communicating with federal public office holders and forms a counterpart to the obligations that federal officials must honour in their codes of conduct when they interact with the public and with lobbyists.

Like most professional codes, the *Lobbyists' Code of Conduct* begins with a preamble that states its purpose and places it in a broader context. Next comes a body of overriding principles that set out, in positive terms, the goals and objectives to be attained without establishing precise standards. They are intended as general guidance. The principles of integrity and honesty, openness and professionalism thus represent goals that should be pursued.

The principles are then followed by rules that set out specific obligations or requirements. The rules are in three categories: transparency, confidentiality and conflict of interest. Under the rule of transparency, lobbyists have an obligation to provide accurate information to public office holders and to disclose the identity of the person or organization on whose behalf the representation is made and the purpose of the representation. They must also disclose to their client, employer or organization, their obligations under the *Lobbyists Registration Act* and the Code itself. Under the rule of confidentiality, lobbyists cannot divulge confidential information nor use insider information to the disadvantage of their client, employer or organization. And finally, under the rule of conflict of interest, lobbyists are not to use improper influence nor represent conflicting or competing interests without the consent of their clients.

## COMPLIANCE

Lobbyists have a legal obligation to comply with the Code. Where, on reasonable grounds, the Ethics Counsellor believes that a rule has been breached, the Act provides that the Ethics Counsellor shall investigate and the results of that investigation must be tabled in Parliament. During the year under review, a complaint under the *Lobbyists' Code of Conduct* was received by the Office of the Ethics Counsellor (the Office). This represented the first complaint received by the Office since the Code came into force on March 1, 1997. The complaint alleged that a lobbyist had breached Rule 2 of the Code by providing inaccurate information to public office holders.

Prior to the filing of the complaint, the complainant consulted with the Office of the Ethics Counsellor in order to gain a better appreciation of the process that would be followed. During this meeting, it became evident that the allegation of a potential breach of the Code would involve an individual who was a close personal friend of the Ethics Counsellor. When informed of this, the Ethics Counsellor recused himself from the process, and measures were established to totally exclude him from involvement in the potential complaint. Subsequently, a formal complaint was filed with the Office on May 14, 1997.

Whether or not the Office had jurisdiction to proceed depended upon whether the provision of the alleged inaccurate information occurred after the Code came into force on March 1, 1997. In an attempt to establish when the alleged inaccurate information was provided, contact was made with a wide range of public office holders.

These inquiries confirmed there was no record or recollection of the alleged inaccurate information having been provided to any public office holder after March 1, 1997. It was therefore concluded that the Office had no jurisdiction to proceed further. As the Office had no reasonable grounds to demonstrate that a person had breached the Code, the complaint was dismissed.

#### **ADVISORY ROLE OF THE OFFICE**

Since a major objective of the Code is to promote public trust in the integrity of government decision making, the Office places a high priority on providing guidance and clarification on the Code to lobbyists and their clients and, more generally, the public. The Code is available via *Strategis*, Industry Canada's Web site at <http://strategis.ic.gc.ca/lobbyist>

The *Lobbyists' Code of Conduct* is also an integral part of the registration kit distributed to all lobbyists, and printed copies can be obtained from the Office of the Ethics Counsellor.





## **ANNEX: *Lobbyists' Code of Conduct***

### **PREAMBLE**

The *Lobbyists' Code of Conduct* is founded on four concepts stated in the *Lobbyists Registration Act*:

- Free and open access to government is an important matter of public interest;
- Lobbying public office holders is a legitimate activity;
- It is desirable that public office holders and the public be able to know who is attempting to influence government; and,
- A system for the registration of paid lobbyists should not impede free and open access to government.

The *Lobbyists' Code of Conduct* is an important initiative for promoting public trust in the integrity of government decision-making. The trust that Canadians place in public office holders to make decisions in the public interest is vital to a free and democratic society.

To this end, public office holders, when they deal with the public and with lobbyists, are required to honour the standards set out for them in their own codes of conduct. For their part, lobbyists communicating with public office holders must also abide by standards of conduct, which are set out below.

Together, these codes play an important role in safeguarding the public interest in the integrity of government decision-making.

### **PRINCIPLES**

#### **Integrity and Honesty**

Lobbyists should conduct with integrity and honesty all relations with public office holders, clients, employers, the public and other lobbyists.

#### **Openness**

Lobbyists should, at all times, be open and frank about their lobbying activities, while respecting confidentiality.

#### **Professionalism**

Lobbyists should observe the highest professional and ethical standards. In particular, lobbyists should conform fully with not only the letter but the spirit of the *Lobbyists' Code of Conduct* as well as all the relevant laws, including the *Lobbyists Registration Act* and its regulations.

**RULES****Transparency**

## 1. Identity and purpose

Lobbyists shall, when making a representation to a public office holder, disclose the identity of the person or organization on whose behalf the representation is made, as well as the reasons for the approach.

## 2. Accurate information

Lobbyists shall provide information that is accurate and factual to public office holders. Moreover, lobbyists shall not knowingly mislead anyone and shall use proper care to avoid doing so inadvertently.

## 3. Disclosure of obligations

Lobbyists shall indicate to their client, employer or organization their obligations under the *Lobbyists Registration Act*, and their obligation to adhere to the *Lobbyists' Code of Conduct*.

**Confidentiality**

## 4. Confidential information

Lobbyists shall not divulge confidential information unless they have obtained the informed consent of their client, employer or organization, or disclosure is required by law.

## 5. Insider information

Lobbyists shall not use any confidential or other insider information obtained in the course of their lobbying activities to the disadvantage of their client, employer or organization.

**Conflict of interest**

## 6. Competing interests

Lobbyists shall not represent conflicting or competing interests without the informed consent of those whose interests are involved.

## 7. Disclosure

Consultant lobbyists shall advise public office holders that they have informed their clients of any actual, potential or apparent conflict of interest, and obtained the informed consent of each client concerned before proceeding or continuing with the undertaking.

## 8. Improper influence

Lobbyists shall not place public office holders in a conflict of interest by proposing or undertaking any action that would constitute an improper influence on a public office holder.



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**CODE DE  
DÉONTOLOGIE DES LOBBYISTES  
RAPPORT ANNUEL**

pour l'exercice terminé le 31 mars 1998

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