

Editorial Policy



Guidance Note

BBC Financial Journalism

It is essential that the integrity of the BBC and its programmes is not undermined by the outside activities or financial interests of any of its journalists. Our audiences must be able to trust the objectivity and impartiality of the BBC's output and to be confident that editorial decisions are based purely on sound, objective editorial judgement.

All BBC journalists are obliged to abide by the BBC Editorial Guidelines and the supplementary Conflicts of Interest Guidelines which state the BBC's policy in this area. All staff are also required to conform to the Agreed Statement: "Conflict of Interest" which supports the relevant sections of the Editorial and Conflict of Interest Guidelines. In particular it is important that there is no suggestion that any business or financial interest could influence BBC coverage.

The relevant sections of the Conflicts of Interest Guidelines are:

COMMERCIAL, BUSINESS AND FINANCIAL INTERESTS

It is essential that the integrity of BBC programmes or other editorial output is not undermined by the commercial, business or financial interests of any programme makers, journalists, or presenters. There must never be any suggestion that commercial or financial interests have influenced BBC coverage or the subject matter of programmes or the choice of items.

The onus is on the journalist, programme maker or presenter to let the BBC know if they have any interests which could be perceived as a conflict of interest.

and

FINANCIAL JOURNALISM

There are additional constraints on financial journalists. People working in financial programmes for the BBC should register all their shareholdings and other financial interests or dealings. Clear advice on this is given in the BBC Guidelines for Financial Journalism, which are available online and from the Editor, Economics and Business Centre.

These additional guidelines for financial journalists protect the integrity of the BBC's output in this area. It is also important to remember that there are particular legal

constraints which affect financial journalism. As stated earlier, it is illegal to use financial information acquired in advance to trade ahead of the markets.

It is also illegal to promote financial services without proper authorisation from the relevant regulatory authorities. It is vital that no BBC financial journalist ever calls their integrity into question by appearing to promote any financial product or investment, especially if they or members of their immediate family have a financial interest in that product or investment.

As stated above special rules apply to financial journalists and these guidelines constitute the detailed guidance referred to in the Conflicts of Interest Guidelines.

In cases of doubt, further assistance can be sought from the duty Editorial Policy Adviser by telephoning

All Guidance Notes can be found at edpol.gateway.bbc.co.uk/guidance_notes.shtml (BBC internal link) or www.bbc.co.uk/guidelines/editorialguidelines/advice/.

Specific Guidance

Transparency is the key. In order to ensure that the public cannot doubt the integrity of our financial journalism, the requirements for disclosure are greater for financial journalists than for other programme makers. These additional requirements for disclosure apply to all financial journalists including presenters, reporters and producers.

The onus is on the journalist to let the BBC know if they have any interests that could give rise to an actual or perceived conflict of interest. Would they or the BBC be embarrassed to read about it in the press? If in any doubt the journalist should talk to their editor.

Declaring Interests

The scope of financial journalism is very wide. Financial journalists may cover stories about finance or business in any area. For this reason all financial journalists must assume that any shareholdings could be connected with programme content. All shareholdings therefore must be declared. Journalists who own any shares or securities, unit trusts, share options, equity ISAs and PEPs or any other financial instruments must register them with BBC People and with their senior editor or relevant Head of Department. Financial journalists should also register any other business dealings or interests including directorships, stakeholdings or consultancy work and they should name the provider of any personal pension plans. It is essential that all business and financial interests are registered to ensure they are not incompatible with the journalist's work for the BBC. Interests should normally be declared using the BBC Declaration of Personal Interest Form, a copy of which will be held on the individual's personal file. Editors and Head of Department responsible for financial programming should ensure that they have declared all their

financial interests to their line manager and that the interests are registered with BBC People.

Any journalist who has failed to register any business interest must do so immediately. When shares are bought or sold these changes should be registered as soon as possible. This information is held confidentially and acts as a protection to prevent conflicts of interest.

Journalists should not write/broadcast about shares or securities if they know that they, their partners or close family have a significant financial interest unless they have disclosed this information to their editor. If journalists have concerns that they may be working on a story which could involve a conflict of interest they must speak to their Editor or Head of Department as soon as possible. If the editor considers that there could be a real or perceived conflict of interest, the editor should deploy another journalist. In exceptional circumstances, for strong editorial reasons, a journalist may be asked to cover an area where he or she has a significant interest, in this case the interest should be declared on air.

Guarding against exploitation of information

- Journalists must not use for their own profit any privileged information or financial information they receive in advance of its general publication, nor should they pass such information to others
- To maintain their integrity, journalists should not speculate by buying and selling shares on a short term basis if they have written or broadcast about them recently or know that they will be doing so in the near future.

Guarding against on-air promotion

It is essential that financial journalists do not promote, or give the impression of promoting, any business or financial service. However, where editorially justified, references may be made to particular services, businesses or branded products. In some cases it will be editorially relevant to evaluate the advantages and disadvantages of a financial service or product. Financial journalists must always guard against the impression of promoting or plugging particular products or services.

It should be noted that all BBC journalists must conform to the guidance on product placement and product prominence set out in Section 13 "Editorial Integrity and Independence", of the BBC Editorial Guidelines:

Product placement

*We must never include a product or service in sound or vision in return for cash, services or any consideration in kind. **This is product placement. It is illegal to make any such arrangements in the EU.***

Product prominence

We need to be able to reflect the real world and this will involve referring to commercial products, organisations and services in our output.

We must avoid any undue prominence or giving the impression that we are promoting or endorsing products, organisations or services. To achieve this we must:

- ensure that references to trade names, brand names and slogans are clearly editorially justified.
- not linger on brand names or logos and use verbal references sparingly unless there are very strong journalistic reasons for repeated references to a brand.
- not accept free or reduced cost products or services in return for on air or online credits, hotlinks or off air marketing.
- take particular care to minimise product references in output designed to appeal to children.
- only use material from advertising campaigns or promotions when clearly editorially justified. Generally, it will only be acceptable to use a short extract. There may also be copyright considerations.

Legal Restrictions on Financial Journalists

For financial journalists there are additional legal constraints:

- it is illegal to promote financial services without proper authorisation from the relevant regulatory authorities. It is vital that no BBC financial journalist ever calls their integrity into question by appearing to promote any financial product or investment, especially if they or members of their immediate family have a financial interest in that product or investment.
- as stated earlier, it is illegal to use financial information acquired in advance to trade ahead of the markets.

Guests on Financial News Programmes

Guests speaking on financial news programmes on the BBC are covered by the principles of these guidelines but we do not normally require them to declare a personal interest.

However, in some cases, normally in the area of personal finance, it will be appropriate to seek recommendations by properly qualified persons supported by

objective data. If it is known beforehand that they do have an interest in what they are recommending, then on-air disclosure should be considered best practice. They only need to declare any directly held shares or options, futures or other derivatives held in shares not any collective funds like unit trusts. Speakers who are FSA-regulated will know what is appropriate.

When we interview employees of companies about their company's shares or products, they will not necessarily be expected to be objective as they are speaking from a particular standpoint, but they must be clearly identified on air as employee of the company. Even so, we should guard against any guests on our programmes giving unsupported and blatant plugs for shares or products.

The market Abuse Directive additions July 2005:

The UK implementation of the EU's Market Abuse Directive comes in on July 1st 2005. We will continue to be self-regulating through the Editorial Guidelines but there are a couple of changes we will have to implement.

The issue is around investment advice defined by the new legislation as "*information that directly recommends the buying, selling, subscribing for or the underwriting of a financial instrument...*"

The changes apply to BBC journalists rather than to guests or pundits.

If we make a direct recommendation or we disseminate a recommendation - for example by quoting an analyst or expert - we would have to state on air that the programme or item was produced under the BBC's code and provide a link for the audience to find a full version of the guidelines on a BBC website. If guests make a recommendation they are seen as the disseminator not us. So if Tony Craze tells us in an interview - '*buy Tesco's*', there is no need to refer to our code. But if we then quote Tony Craze as in '*Tony Craze tells us, "buy Tesco's"*' we are the disseminator and we must include a reference to our code. Unregulated guests like academics are not caught by this change. As before, we merely need to ensure that they are not taking advantage of their appearance for personal advantage.

This applies to TV radio and on-line.

Suggested words: 'This item/programme was produced under the BBC's guidelines for financial journalism, a full version can be found at bbc.co.uk/business.'

NB: This does not alter the fact that generally our position is that we do not make direct recommendations.

Maintaining awareness of these issues

This guidance note will be issued to all newcomers and any changes circulated to all those involved. Journalists are required to remain vigilant in this area, to declare all stock held, bought and sold and on a regular basis to review their Declaration of Personal Interest Forms.

Updated: 27 June 2005