



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Standards, Procedures and Public Appointments Committee

**Thursday 20 January 2022**

**Session 6**



The Scottish Parliament  
Pàrlamaid na h-Alba

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**STANDARDS, PROCEDURES AND PUBLIC APPOINTMENTS COMMITTEE**  
**2<sup>nd</sup> Meeting 2022, Session 6**

**CONVENER**

\*Martin Whitfield (South Scotland) (Lab)

**DEPUTY CONVENER**

\*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

**COMMITTEE MEMBERS**

\*Edward Mountain (Highlands and Islands) (Con)

\*Tess White (North East Scotland) (Con)

\*Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP)

\*attended

**CLERK TO THE COMMITTEE**

Katy Orr

**LOCATION**

The David Livingstone Room (CR6)



# Scottish Parliament

## Standards, Procedures and Public Appointments Committee

Thursday 20 January 2022

*[The Convener opened the meeting in private at 09:01]*

10:30

*Meeting continued in public.*

### Complaint

**The Convener (Martin Whitfield):** We will now move to agenda item 2 in the second meeting in 2022 of the Standards, Procedures and Public Appointments Committee.

The committee has been considering a complaint about a former member of the Scottish Parliament. On behalf of the committee, I will now read out a statement that sets out the committee's findings.

The committee has considered a complaint from Mr Joe Lo about Alison Harris. The complaint is that Alison Harris did not appropriately register the true market value of the shares that she held in Georgian Finance Company Ltd in the register of interests.

The committee is unanimous on the decision reached on the complaint. The committee cannot concur with all the findings in fact of the Commissioner for Ethical Standards in Public Life in Scotland and does not agree with the commissioner's conclusion.

In relation to the commissioner's findings in fact, the committee does not consider that the valuation of the market value of the shares in Georgian Finance Company Ltd secured by the commissioner can be deemed to be the definitive market value of the shares in the context of the code of conduct. Indeed, the committee highlights that material included in the commissioner's report illustrates that experts can have conflicting views on the market value of the shares in private limited companies because different methodologies can be used to determine that.

The committee was cognisant that the code of conduct for MSPs does not provide a definition of market value, and nor does it prescribe any methodology for ascertaining the value of shares. However, the code states:

"On detailed financial and commercial matters,"

a member

"may wish to seek advice from other relevant professionals."

Alison Harris indicated in her representations to the committee that she had sought the professional opinion of the company's accountant on the market value of the shareholding, which she interpreted as being nil due to her being unable to freely sell her shares.

In relation to the commissioner's conclusion, the committee does not agree that there are sufficient grounds to conclude that there has been a breach of the Interests of Members of the Scottish Parliament Act 2006 and the code of conduct.

Alison Harris registered an interest in shares on the basis that she held more than 1 per cent of the nominal value of the issued share capital of the company. She did not, additionally, register those shares on the basis of the market value exceeding 50 per cent of a member's salary at the start of the relevant parliamentary session, because she ascertained the shares to have a market value of £1.

Although the committee recognises that a fair observer might reasonably consider the market value to be higher, there were conflicting expert views on the market value of the shares. In addition, the committee could not draw on either a definition of market value or a prescribed method for reaching a market valuation within the code to reach an incontrovertible conclusion that the market value of the shares exceeded the threshold. For those reasons, the committee does not consider that it is in a position to reach the conclusion that a breach of either the act or the code has taken place.

The committee recognises that there are many different types of shareholdings, particularly in relation to private limited companies, and that, in some circumstances, ascertaining a market value for shares can be complex. For that reason, it intends to consider that matter further with a view to revising the guidance on the code of conduct for MSPs to provide more clarity to members on the registration requirements and greater transparency to the public on members' interests.

In conclusion, although the committee does not consider that there are sufficient grounds to consider that the code of conduct has been breached in relation to the complaint, it reminds all members that they should approach the registration of their financial interests in the spirit of the utmost transparency to ensure that their integrity and propriety cannot be called into question.

Full details of the complaint and the commissioner's investigation of it will be included in the committee's report, which will be published later this afternoon.

We will now move into private session.

10:35

*Meeting continued in private until 10:41.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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