



EPACA's position on the European Transparency Initiative: Make Lobbying a Regulated Profession

- **A voluntary system including the disclosure of financial information is unworkable**
- **A level playing field for all lobbyists is essential**
- **A voluntary system may lead to market distortions**
- **The disclosure of competitive and commercially sensitive information raises competition law issues**
- **The definition of “lobbying” is too broad. Clear definitions which are not open to interpretation are required**

EPACA views transparency and openness as fundamental to the integrity of the lobbying profession. We have pioneered actions in this field, including the drafting of a code of conduct which was drawn on by the Parliament for its own rules of procedure, and the setting up of a Professional Practice Panel. In this light, EPACA is in favour of the broad goals of the ETI, but concludes that the current version presented by Commissioner Kallas is unworkable.

Given a voluntary system, EPACA supports the registration of employees involved in lobbying and the disclosure of client lists. However, the demands for the provision of commercially sensitive financial information are not practicable within a voluntary framework. EPACA is not opposed to financial disclosure per se but this is only workable if lobbying becomes a fully regulated profession, in which requirements are mandatory for all (including lawyers, in-house consultants, NGOs and public affairs consultancies).

EPACA has identified the following weaknesses in the proposed system:

The Commission's proposal suggests discriminatory treatment for consultancies compared with other lobbyists. For example, NGOs must only disclose their overall budget and their 'main source of funding', while consultancies are expected to provide a detailed breakdown of lobbying-related turnover. EPACA views this as unacceptable, as the same rules must apply to all.

The voluntary nature of the register is likely to lead to a distortion of the market: consultancies not able to register may become stigmatised and therefore lose clients. On the other hand, the disclosure of client fees would conflict with contractual obligations or other agreements on confidentiality with clients, and put registering companies at a commercial disadvantage. Some clients may instead



work with non-registered consultancies. This would effectively reduce transparency, and therefore go against the Commission's aims.

The weakness of the proposed system is compounded by the fact that the current definition of lobbying used by the Commission is far too general. Provision of this information will be open to wide interpretation and will therefore not have any real value.

Finally, by requiring consultancies to divulge commercially sensitive financial information, the Commission is encouraging them to exchange competitive information, something which undermines competition law. Consultancies are essentially being asked to divulge information which no other profession is required to.

EPACA's suggested solution:

For the reasons outlined above, EPACA calls on the Commission to establish lobbying as a regulated profession. This should include:

1. Setting up a mandatory legislated registration system following full consultation and due legal process.
2. A non -discriminatory system, which applies a level playing field to all.
3. Clear definitions and workable mechanisms for financial disclosure.
4. Recognition that there is confidential commercial information which must be respected and mechanisms set up to deal with this sensitivity.

EPACA would be happy to contribute and consult in such a transparent and full legislative process.

Background note:

EPACA, the European Public Affairs Consultancies Association, represents over 75 % of the European public affairs industry, including consultancies of all sizes. EPACA's position on the ETI is based on members' responses to an internal questionnaire on the current version of the ETI, and is therefore fully representative of the profession's interests.

The ETI is a Commission initiative designed to ensure transparency in three aspects of the EU activities: 1) the way the Commission consults interested parties; 2) the use of EU money; and 3) interest representation in the EU. On interest representation, Commissioner Kallas' proposal seeks to establish a voluntary register for lobbyists. Public affairs consultants and lawyers engaged in lobbying would be required to divulge client lists, their total lobbying-related income, and the relative weight of their clients in terms of fees. Other lobbyists are subject to lighter requirements.