

Fair Trading Policy

1. Introduction

The Board of Trustees has adopted this Policy to ensure that the British Council's dealings with suppliers, partners, clients and customers are at all times conducted in accordance with relevant legal requirements and key principles of fair trading outlined below. The Policy shall be implemented by the Executive Board through detailed Fair Trading Guidance and training for relevant employees, and also by the introduction of a complaints procedure for Fair Trading complaints. Compliance with the Policy shall be monitored by Internal Audit, on behalf of the Board of Trustees.

2. What is Fair Trading?

The British Council considers that the term "fair trading" encompasses the following aspects:-

- Trading Activities shall be conducted in a fair and reasonable manner and with a view to achieving the Charitable Objectives.
- Trading Activities shall be carried out in compliance with Competition and Charity Law.
- Trading Activities shall not jeopardise the reputation and brand of the British Council.

3. Scope of Fair Trading Policy

This Policy shall apply to both Trading Activities and Non-Trading Activities of the British Council worldwide.

The Trading Activities consist of:-

- **Commercial Trading**
Services which are provided, or other activities which are undertaken, on a chargeable basis by the British Council not primarily in order to promote its Charitable Objectives, but with a view to generating a trading surplus. [i.e. non primary purpose]
- **Charity Trading**
Services which are provided, or other activities which are undertaken, on a chargeable basis by the British Council in order to promote the Charitable Objectives, but which may also generate a trading surplus [i.e. primary purpose]. The British Council carries out Charity Trading using both Grant Funds (being those sums paid to the British Council by HM Government (other than under contracts for service)) and income from other sources.
 - **Grant Charity Trading** is Charity Trading which is funded in part using Grant Funds.
 - **Non-Grant Charity Trading** is Charity Trading which is carried out income from sources other than Grant Funds.

Non-Trading Activities are British Council activities carried out using charitable funds, including grant-funded services, but which do not constitute Commercial Trading or Charity Trading.

All entities owned or controlled by the British Council shall comply with this Policy. In relation to any entity where the British Council has a minority interest and/or is not controlled by the British Council, the British Council shall use reasonable endeavours to ensure that the activities of such entity are carried out in accordance with this Policy.

In addition to this Policy, the British Council has other policies, procedures and obligations which may to some extent overlap with this Policy, such as its Procurement Policy. This Fair Trading Policy is not intended to replace those, but the British Council shall ensure that, where the Policy is in conflict with them, it will nonetheless ensure adherence to the key principles set out below.

4. Key Principles

The British Council is required by this Policy to comply with the following principles:-

- **Competition Law**
The British Council must comply with the requirements of competition law when carrying out the Trading Activities.
- **Charity Law**
As a registered charity, when carrying out Trading Activities, the British Council must comply with the requirements of charity law in relation to non-primary purpose trading. Under English charity law, it is only permitted to trade in pursuance of its charitable objectives as set out in the Royal Charter. Any Commercial Trading must be undertaken by BC Trading International Ltd or otherwise in compliance with the BC Commercial Trading policy.
- **Grant Funding**
The British Council shall ensure operational and financial separation between Grant Charity Trading and Non-Grant Charity Trading. A Transfer Pricing Policy shall be implemented to ensure that transparent and fair pricing applies to any costs shared between Grant Charity Trading and Non-Grant Charity Trading to ensure that there is no cross-subsidy.
- **Brand and Reputation**
When carrying out Trading Activities, the British Council shall endeavour to protect the brand and reputation of the British Council. This shall include a requirement to select appropriate trading partners and to treat trading partners fairly and reasonably. Trading Activities shall be carried out in a fair and transparent manner.

5. Implementation

The Board of Trustees shall require the Executive Board at all times to act in accordance with this Policy, to ensure that Fair Trading Guidance is introduced and disseminated and to ensure that all relevant members of staff are aware of this Policy.

6. Review

The British Council will review this policy on an ongoing basis and carry out a formal review not less than every 3 years. Such review shall take into account the operation of the Policy since the last formal review, any legal or regulatory developments, an assessment of current best practice in relation to fair trading and any other relevant information.

7. Reporting

The British Council shall report on the operation of this Policy in its Annual Report.

8. Complaints

A Fair Trading complaint is a complaint that the British Council has breached this Policy. The British Council has implemented a complaints procedure for Fair Trading complaints which can be found on the ['Fair Trading complaints' procedure web page](#). Under the procedure, the Executive Board is responsible in the first instance for considering all complaints. Complainants who are dissatisfied with the findings of the Executive Board may appeal to the Board of Trustees provided that there are grounds for appeal under the Fair Trading Complaints Procedure. The Board of Trustees shall retain full discretion as to the procedure for handling Fair Trading complaints.

9. Sanctions

Where the Board of Trustees finds that there has been a breach of this Policy, it will recommend any sanctions to be imposed. Examples of potential sanctions are included in the Fair Trading complaints procedure.