









ADJUDICATION

by

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EDITORIAL COMPLAINTS COMMISSIONER

Financial Times Limited

ADJUDICATION

1. This is an Adjudication of a complaint by Michael Morris, made on 29 April 2020, in respect of an article by Gary Cohn published the same day on FT.com and headlined "Coronavirus is speeding up the disappearance of cash". The article foretold the pending triumph of digital currencies and the end of cash. It is still available online: https://www.ft.com/content/153778ba-862c-11ea-b6e9-a94cffd1d9bf

2. The complainant wrote to the Editor, saying:

"You have an op-ed piece bby Gary Cohn today more or less arguing for monetary digitisation. Which is all well and good. The problem is that you have not disclosed his employment and work with various blockchain and digital wallet developers. Also in the piece itself you wouldnt guess he is in the industry. Below i have pasted the Wiki entries relevant to this article. That is information which should be disclosed making readers aware Mr Cohn stands to benefit monetarily from monetary digitization ...

[QUOTE FROM WIKIPEDIA] "He currently serves on the Board of Spring Labs, a startup using blockchain technology to share consumer credit data,[38] and Hoyos Integrity, a company employing biometric blockchain technology for secure communications and mobile payments.[39] Cohn is also a key advisor for Machine Zone[40] and Abryx, a biomaterial science company. [41] Cohn discusses the future of blockchain communications and payments.[42] At Hoyos Integrity, Cohn is deeply involved in the strategy and rollout of a next-generation secure mobile phone aimed at government and corporate customers. The company is also planning to launch a digital wallet — which employs more sophisticated biometrics — that consumers can use to make payments using a wide range of monetary assets, including bitcoin.""

3. The complainant followed up with a second email:

"Hi actually looking deeper into his work with digital wallets. Wiki has him on 2 boards. Thats makes the "investment" tag really redundant. Its simply misleading. So even assuming "invested" is accurate disclosure, which i dont, it only lists 1 "invested""

4.	The response by Editorial came from Brooke Masters, who is Opinion & Analysis
	Editor, the same day (including a highlighted screenshot of the disclosure):

"Hi

I run the opinion section and your concerns were forwarded to me.

Gary Cohn says in his piece when he first mentions digital wallets that he has a financial interest in this area. We felt this was the best way to handle this issue.

Cheers

Brooke"

The coronavirus pandemic, and our efforts to cut disease transmission, is forcing us to ask whether we have outgrown the need to carry and move money in physical form. We already have the technology to pay and transact in a purely digital fashion and use highly secure biometric authentication at the point of transaction. (I am invested in one such biometrically encrypted insured digital wallet.) If we shifted to digital, no one would carry dirty cash or coins or deal with a cheque again.

5. The complainant exercised his right of appeal to me:

"Hi Gary [sic],

Could you please adjudicate on this matter? Disclosure should be clear and full, not a passing reference to "invested", Really it reads like an advertorial. .No-one says invested when describing their work. The details are below.

Thanks and best

Michael Morris

Framework

- 6. The FT Editorial Code of Practice ("the Code") deals with financial disclosures in great details at Article 4 of the Code:
 - a. Specific invitations or inducements to invest in a particular opportunity will engage provisions of the UK's Financial Services and Markets Act 2000 ("FSMA") which engages Articles 4.2-4.7 of the Code;
 - b. Recommendations to trade in financial instruments may fall within the EU Market Abuse Regulation ("MAR") which (further) engage Articles 4.8-4.11 of the Code;
 - c. Fair Presentation is dealt with at Articles 4.12-4.14 of the Code; and
 - d. FT employees, 'retained contributors', 'stringers' and 'super-stringers' must also complete the Investment Register: Articles 4.15-4.19 of the Code.
- 7. A helpful summary of Article 4 of the Code is given in Article 4.1:

"FT employees and freelance contributors:

- (a) (even where the law does not prohibit it) must not use for their own profit, financial information they receive in advance of its general publication, nor should they pass such information to others; and
- (b) must not write about, or make editorial decisions about, shares or other financial instruments (including for example units in funds, bonds and derivatives (including commodity derivatives)) in whose performance they know that they or certain relatives have a financial interest, without disclosing the interest to their Editor or Managing Editor (see further, below).
- 8. It is clear from a plain reading of Article 4.1(b) and the relevant disclosure obligations (if they applied on the facts of this case, which I do not need to consider here) in Articles 4.5 (UK FSMA disclosure) and 4.10 (EU MAR disclosure) that the Code requires an author to disclose (i) **financial interests** (ii) **to editorial.**

- 9. Each of these two qualifications to the duty of author's to disclose is relevant.
 - a. The obligation under Article 4 of the Code is a duty on the author to disclose to the Editor, not a duty of the Editor to disclose to the readership. The Code is silent as to exactly what onward disclosures should be made to the readership, whether in the published copy or otherwise, beyond the general duties in Article 1 (such as the general duty to uphold the highest professional and ethical standards of journalism, and the general duty to act in accordance with the FT's reputation for integrity), particularly Articles 1.3 and 1.6.
 - b. The obligation under Article 4 of the Code is a duty on the author to disclose **financial interests**, not every job, association and advisory role that they hold. Disclosure in the published copy may need to make reference to financial interest (such as the fact of a person's investment) but does not require a CV of the author so that the reader can assess her or his proximity to the topic under discussion. That is not the purpose of Article 4 of the Code.
- 10. It follows that in this case, where there was disclosure of the author's financial interest in the copy to the readership, there is no breach of Article 4 of the Code. There is no test of the 'sufficiency' of the disclosure under Article 4: it appears that this is left to editorial discretion. It might be that a complete failure to alert readers to any of the author's financial or other interest in the subject matter might be outwith the broad discretion that editors enjoy because it would constitute a breach of Article 1 of the Code, but I do not consider I can read in a requirement of *how much disclosure is required* beyond the bald terms of Article 4 of the Code itself. My job as Complaints Commission is adjudication, not legislating.
- 11. Accordingly this appeal is dismissed.

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