

# The Bloodstock Industry

## Code of Practice (*Appendix 3*)

### Introduction

The Code of Practice sets out the principles which apply to all sales of bloodstock and sales of stallion shares and nominations, be they private sales or sales at public auction. The intention is to ensure that sales of bloodstock in Britain not only comply with the law, but operate to the highest standards of integrity and transparency, and safeguard the interests of vendors, consignors, bloodstock agents, owners, trainers and the sales companies.

### Definitions

- “Agent” means any trainer, consignor, bloodstock agent, racing or stud manager or other person or entity who represents a Principal in the sale or purchase of bloodstock, stallion shares and nominations, whether the Agent is paid by way of retainer, commission or other forms of remuneration, or has ongoing financial arrangements (for example the payment of management or training fees), or not.
  - “Principal” means a person or entity who appoints an Agent to act as agent on his behalf in the sale or purchase of bloodstock, stallion shares and nominations as in the definition above.
  - For clarification, words importing the masculine gender shall include the feminine.
3. When an Agent acts as a vendor or part-vendor and sells or intends to sell any horse in which he has an interest to a Principal, or intended Principal, the Agent must disclose to his Principal, before completion, the full extent of that ownership or interest and the benefit to be derived from that transaction.
  4. If an Agent acts for more than one Principal in a transaction (which might be both the vendor and purchaser), the Agent can only do so if he has first disclosed this fact, before completion, to all his Principals, and obtained their consent.
  5. An Agent must notify his Principal, wherever possible in advance, when a conflict of interest could arise, such as transactions involving third parties with whom he has a retainer, transactions where he is aware he will benefit from a third party, or transactions concerning horses which he has previously purchased or been involved with.

### Code

1. An Agent owes a duty to his Principal to act at all times in accordance with his Principal’s best interests.
2. An Agent shall not place himself in a position where personal interests conflict with the duty to his Principal. In particular, an Agent shall not use his position to benefit from a secret payment or secret profit, which means
6. An Agent shall disclose to his Principal and, if required, account to his Principal for any Luck Money paid to him by or on behalf of a vendor.

“Luck Money” means any financial payment or payment in kind made by or on behalf of a vendor to a Purchaser or his Agent, after the sale of a horse has been concluded. The practice of giving and receiving Luck Money shall be entirely voluntary, transparent and should be disclosed to all appropriate parties by the recipient. A vendor has no obligation whatsoever to pay Luck Money and the non-payment of such should not prejudice any further business activity.

7. If an Agent receives an offer to purchase a horse he must relay that offer in its entirety to his Principal and respond in accordance with the Principal’s instructions.
8. A vendor must not offer any secret payment or secret profit to any person whom he believes to be an Agent acting for a prospective purchaser.

### Dispute Resolution

9. Any dispute arising out of an alleged breach of the Code of Practice should be reported by a complainant to one of the following trade bodies or to the appropriate Sale Company in the first instance:

**Federation of Bloodstock Agents**  
Geoffrey Howson (01451 860428)

**National Trainers Federation**  
Rupert Arnold (01488 71719)

**Racehorse Owners Association**  
Dena Arstall (020 7408 0903)

**Thoroughbred Breeders Association**  
Louise Kemble (01638 661321)

**Goffs UK**  
Tony Williams (01450 372222)

**Tattersalls**  
Gavin Davies (01638 665931)

A complainant shall provide written evidence of the alleged breach of the Code to the relevant trade body or the Sale Company in support of the allegation. The Sale Company or the trade body will conduct its own investigation and may seek to mediate, or may advise the complainant of their right to pursue the complaint through the courts.

The commencement of a mediation will not prevent the parties commencing court proceedings.

### Disciplinary Proceedings under the Rules of Racing

10. If the British Horseracing Authority is satisfied there has been a breach of this Code of Practice, it is likely to consider this to be contrary to the integrity, proper conduct or good reputation of horse racing, and the persons involved, whether bound by the Rules of Racing, or not, may be banned from British racecourses and other licensed premises and will also not be permitted to conduct business with licensed individuals.

**This Code of Practice has been drawn up & published by the following organisations:**

The British Horseracing Authority, Goffs UK Ltd, Federation of Bloodstock Agents, National Trainers Federation, Racehorse Owners Association, Tattersalls Ltd, Thoroughbred Breeders Association and endorsed by the Society of International Thoroughbred Auctioneers.