Charles Roxburgh
Second Permanent Secretary
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

21 July 2020

By email

Dear Charles,

You have been asked by the Chair of the Treasury Committee about my membership of VLS Holdings, a family partnership with my wife and mother. I thought it would be helpful to set out more information about this.

During the process for appointment as CEO of the Financial Conduct Authority ("FCA"), I declared an interest in buy-to-let properties to the appointment panel, specifically as a buy-to-let mortgage customer of UK-regulated financial institutions. It is also a matter of public record at Companies House that I was a member of a family partnership, VLS Holdings, between 17 June 2019 and 20 June 2020.

In June 2019, my wife, mother and I purchased a UK buy-to-let investment property from an unconnected third party. This property is let in full to unconnected third parties. We took advice before completing the purchase. As this investment involved a family member beyond my wife and me, a UK family property partnership with a partnership agreement between the family members involved was the most appropriate way for us to own the property. Furthermore, a property partnership allows the property to be held as an investment, whilst also allowing more flexibility than other means of ownership for part of the property to be used as a personal residence. This was a relevant future consideration, particularly for one of the family members involved.

For this purchase, we established VLS Holdings, a UK Limited Liability Partnership. The partnership owns no other property.

You will be aware that a UK Limited Liability Partnership must be registered with HMRC and files tax returns. It is fully UK tax transparent. This means that each member is also assessed for tax through their personal tax return on their share of the partnership's income or gains.

I of course file personal tax returns and pay full taxes due.

When applying for the role as CEO of the FCA I took the view that, should I be appointed, the only corporate officer positions I would hold would be those related to FCA activities. I therefore resigned from all corporate officer positions shortly before or around the time of the announcement of my appointment as CEO of the FCA, including my membership of VLS Holdings. I retain buy-to-let property held in personal names jointly with my wife only.

I trust this information is helpful and understand you may wish to share this letter with the Chair of the Treasury Committee.

Yours sincerely,

Nikhil Rathi

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