



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Rt Hon Mel Stride MP
Chair Treasury Select Committee
Portcullis House
London
SW1A 0AA

20 July 2020

Dear Mel,

Appointment of Financial Conduct Authority Chief Executive

I wanted to write to you ahead of the Committee's pre-commencement hearing with Nikhil Rathi on 22nd July, following his appointment as Chief Executive of the Financial Conduct Authority (FCA). As you may be aware, the Government previously committed during the passage of the Bank of England and Financial Services Act 2016 to legislate at the next available opportunity so that future appointees to the role of Financial Conduct Authority Chief Executive would be subject to a five year, once renewable term.

The role of the Chief Executive of the Financial Conduct Authority is one of the most important appointments that the Government makes, and it is important that this appointment follows best practice. Putting the term of the Financial Conduct Authority Chief Executive on a statutory footing will bring it in line with other comparable public appointments, such as Deputy Governors of the Bank of England. The Government therefore intends to bring forward legislation in the upcoming Financial Services Bill to bring this into effect.

I would like to confirm that as we have not had the opportunity to legislate for this change ahead of Mr Rathi's appointment, in light of the long-standing commitment to put this term on a statutory basis, it has been agreed with Mr Rathi that his contract will be on the same basis as the legislation we will introduce later in this session. This will also be reflected in the Minute of Appointment, which Treasury will publish in the coming weeks.

JOHN GLEN