



HOUSE OF LORDS

European Union Committee

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John Glen MP
Economic Secretary to the Treasury
HM Treasury
1 Horse Guards Rd
London SW1A 2HQ

9 October 2020

Dear John,

7049/18: Proposal for a regulation of the European Parliament and of the Council on European Crowdfunding Service Providers (ECSP) for Business

7048/18: Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/65/EU on Markets in Financial Instruments

Thank you for your letter of 11 August on the above file. The EU Services Sub-Committee considered the letter at its meeting on 8 October.

We note your statement that the Government will “consider whether similar changes in UK law would enhance the competitiveness” of the sector. We would welcome further detail on this assessment. Which elements of the Regulation might make the UK’s Europe-leading crowdfunding sector more competitive? Where might the Government seek to diverge from the Regulation? What would be the impact of any such divergence?

You observe the “commitment to consider the appropriateness of expanding the scope of the Regulation to third countries under a report to be compiled by the Commission, 24 months after the Regulation comes into force.” What is the Government’s assessment of the desirability or otherwise of coming under the Regulation as a third country and of the effect of such a move on the UK sector’s competitiveness?

We continue to take an active interest in these matters, and we look forward to your response within 10 working days.

I am copying this letter to Sir William Cash MP, Chair of the Commons European Scrutiny Committee; Jessica Mulley, Clerk to the Commons Committee; Les Saunders and Donald Harris, Cabinet Office, and James Chandler, HM Treasury.

Yours sincerely,

Lord Kinnoull
Chair of the European Union Committee