



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

Harriett Baldwin MP
Chair
Treasury Select Committee
House of Commons
London
SW1A 0AA

23 November 2022

Dear Harriett,

FINANCIAL SERVICES AND MARKETS BILL

The Financial Services and Markets Bill is central to delivering the government's vision for the financial services sector. It seizes the opportunities of Brexit, tailoring financial services regulation to UK markets to bolster the competitiveness of the UK as a global financial centre and deliver better outcomes for consumers and businesses.

The Bill implements the outcomes of the Future Regulatory Framework (FRF) Review. It will repeal retained EU law for financial services and establish a comprehensive FSMA model of regulation, which generally delegates the setting of detailed rules to independent regulators, within a framework set by government and Parliament.

The government is committed to the operational independence of the financial services regulators, and that increased responsibility for the regulators must be balanced with clear accountability, appropriate democratic input, and transparent oversight. The Bill therefore introduces new secondary growth and competitiveness objectives for the PRA and the FCA, enhanced mechanisms for accountability, scrutiny, and oversight of the regulators by Parliament and HM Treasury, and measures to strengthen the regulators' engagement with stakeholders.

I wrote to this Committee on 31 October, noting that, in light of the appointment of the Prime Minister and the need for government to consider the matter carefully, we would not be tabling an amendment to introduce an Intervention Power at Committee Stage. Having consulted further, the government is of the view that the existing provisions in the Bill are currently sufficient, and we will therefore not be bringing forward an amendment to the Bill to introduce an Intervention Power

The government will, however, keep the matter under review and return to the issue in future financial services legislation if it emerges that the regulatory framework is not able to fully support the government's vision for the UK's financial services sector.



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I look forward to continuing to engage with members of the Treasury Select Committee as the Bill continues its parliamentary passage.

A handwritten signature in blue ink, appearing to read 'Andrew Griffith'.

ANDREW GRIFFITH MP