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

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

23 February 2023

Dear Harriett,

Thank you for your letter of 26 January 2023 to the Exchequer Secretary to the Treasury about financial sanctions. I am replying as the Minister responsible for financial sanctions.

The Treasury's Office for Financial Sanctions Implementation (OFSI) takes operational decisions relating to the implementation of financial sanctions in line with the relevant regulations. OFSI has not considered it appropriate for the Treasury to effectively decide on whether a case has sufficient merit to be permitted to proceed by deciding whether to license legal fees. Rather, OFSI's position has been that the merits should be decided by the appropriate court. OFSI assesses cases on a costs-basis only, ensuring that the fees requested are reasonable in accordance with the derogations available under the sanctions regimes. To be absolutely clear: decisions on the issuance of licences for legal fees are routinely taken by OFSI officials, in line with standard practice. The principles and guidance for assessing these applications are long-standing, and have been published for a number of years.

We need to carefully balance the right to legal representation - which is a fundamental one - with wider issues, including the aim and purpose of the sanctions. It is right therefore that Ministers are examining whether there are any changes that can be made to this policy.

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In addition to this, the Government remains committed to tackling Strategic Lawsuit Against Public Participation (SLAPP) cases, given these cases represent an abuse of the UK legal system to silence investigations in the public interest. Targeted anti-SLAPP reforms will include a statutory definition of SLAPPs, an early dismissal process and costs protection for SLAPPs cases. The Government has committed to primary legislation to make these reforms a reality when parliamentary time allows.

These changes will help to uphold our fundamental liberties of free speech and a free press, end the abuse of our courts, and defend to the hilt those who bravely speak out in the public interest.

I would be happy to meet with you to discuss this further.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Baroness Penn', with a stylized, cursive script.

**BARONESS PENN**