



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

Tom Tugendhat MP
Chair, Foreign Affairs Committee
House of Commons
London
SW1A 0AA

11 November 2020

Dear Tom,

Action 19 of the Economic Crime Plan

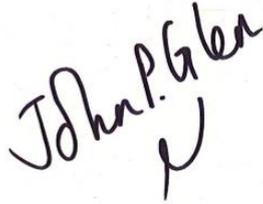
As you know, the Treasury has been considering the case for a new Government power to block listings on UK financial markets on national security grounds.¹ I know that, as chair of the Foreign Affairs Committee (FAC), you have an interest in this work following the committee's November 2019 report, *Defending Democracy in the Age of Autocracies*. The update promised to the committee following this report was delayed due to the Government's prioritisation of the COVID-19 response. I am glad to now be able to provide this update and make public the Government's intentions for the next phase of work.

Our analysis has indicated that there are possible scenarios in which a proposed listing may potentially give rise to national security concerns. In view of this, I have concluded that the Government should bring forward a precautionary power to block listings on national security grounds. In designing this power, the Government will take full account of the fact that companies from all over the world come to the UK, as a world-leading financial centre, in order to raise capital. They are attracted by the depth, breadth and openness of our markets as well London's reputation for clean and transparent markets. This power will reinforce that reputation and help us maintain London's status as a world-class listings destination.

In line with commitments previously made to the Treasury Select Committee (TSC), the Treasury will publish a full consultation which we expect to launch in early 2021. This consultation will inform the design of the power, which will remain strictly focused on national security and not wider public interest issues.

¹ When a company wants to raise capital, it can do this through 'listing' its securities on a public market, such as the London Stock Exchange (LSE).

I have laid a statement in the House of Commons to this effect which can be found [here](#). I welcome the interest of both the committee and yourself in this work and I will provide further updates as it progresses. I have also written to the TSC and will keep them similarly updated.

A handwritten signature in black ink that reads "John P. Glen" with a stylized flourish underneath.

JOHN GLEN