



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

Harriett Baldwin MP
Chair, Treasury Select Committee

The Lord Bridges of Headley MBE,
Chair, Economic Affairs Committee

23 May 2023

Dear Harriett and James,

COMMITMENT ON CENTRAL BANK DIGITAL CURRENCY

I am writing to provide an update on the Government and Bank of England's work on a Central Bank Digital Currency, the digital pound.

In our response to the 2022 Economic Affairs Committee report on the digital pound and during the debate at Committee stage, Ministers have stressed that the Government would fully engage Parliament – including through any possible legislation – in an open and transparent manner to ensure that there is a full and proper scrutiny of any proposals on the digital pound.

As you know, during the passage of the Financial Services and Markets Bill, there have been debates on the format of this engagement.

The Government and the Bank of England are at an early stage of policy development and have not made a decision on whether or not to introduce the digital pound. As a result, we do not yet know whether a potential digital pound will require primary legislation.

However, in recognition of the potential significance of a digital pound and the views of parliamentarians, the Government commits to introducing primary legislation before launching a digital pound.

I hope this letter provides you with sufficient reassurance on the issue. I am also placing a copy of this letter in the libraries of both Houses.

Best wishes,

A handwritten signature in blue ink that reads 'Jeremy Hunt'.

RT HON JEREMY HUNT MP
Chancellor of the Exchequer