



# Sub-Committee on Financial Services Regulations

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Rt Hon Jeremy Hunt MP  
Chancellor of the Exchequer  
HM Treasury

[via email]

15 November 2023

Dear Jeremy

## **Investment Companies—Cost Disclosures**

The Committee is aware of concerns related to the requirements imposed on investment companies by cost-disclosure requirements which may create the impression they are unduly expensive. Those concerned argue that this stifles investment, does not happen in other countries and could be put right without any cost to the Treasury.

I would welcome the Treasury's assessment of:

- The extent to which cost transparency requirements imposed on investment companies is creating unfairness, or is causing undue problems for the industry, including through any double-counting of costs;
- How such cost disclosures are being used by market participants, such as wealth managers, fund-of-funds managers and discretionary fund managers, and independent financial advisers, and any support services they use, such as software providers;
- The genesis of any identified problems, including how they came about, and to what extent remediation of the identified problems is needed through changes to regulation and/or legislation;
- The timeframe for any permanent remediation; and
- Whether interim relief can be provided before a more permanent solution is found, and if so, how and how quickly such relief can be provided.

In line with the Committee's usual practice, I will be placing this letter and in due course, your response in the public domain. I would be grateful for a reply by Tuesday 28 November 2023.

With best wishes,

**Harriett Baldwin MP**  
**Chair of the Treasury Sub-Committee on Financial Services Regulations**