



# Treasury & Business, Energy and Industrial Strategy Committees

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Mr Andrew Bailey  
Chief Executive Officer  
Financial Conduct Authority  
25 The North Colonnade  
London E14 5HS

 September 2017


*Dear Andrew*

We are writing in respect of the Financial Conduct Authority (FCA)'s consultation on proposals to create a new category within its premium listing regime to cater for companies controlled by a shareholder that is a sovereign country.

We are interested to explore the rationale for this consultation, particularly given the concerns expressed by stakeholders that these proposals would weaken protection for private investors against interference from foreign sovereign company owners. In this context, what discussions has the FCA had with the Financial Reporting Council about the potential impact on the generally highly regarded UK model of corporate governance, both before and after publication of the consultation paper? When was the Government first made aware of the FCA's work on the proposals in this consultation paper? What discussions did the FCA (whether at Board or working level) have with Ministers or officials from government departments in advance of and during the consultation, and in particular on the balance between attracting foreign investment and maintaining the integrity of the UK markets? What influence did the Treasury's recommendations to the FCA, set out at the time of the Spring Budget, have in setting the tone for the FCA's position in the consultation paper?

It would be helpful to understand the background to this consultation: to what extent was the FCA aware of any interest shown by Saudi Aramco in obtaining a UK listing, and if known, how far that interest influenced the consultation? Was the FCA's position proposed by stakeholders as part of the consultation on the discussion paper on the effectiveness of primary markets published in February this year; and to what extent sovereign country owned entities (or their sponsors) engaged in that consultation?

Subject to your reply, we plan to raise these issues with our select committees when they are appointed to see if further work is warranted.

*Yours sincerely*  


**Rt Hon. Nicky Morgan MP**  
Chair of the Treasury Committee

*Yours,*  


**Rachel Reeves MP**  
Chair of the Business, Energy and Industrial Strategy Committee