



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

Rt Hon Nicky Morgan
Chair
Treasury Select Committee
House of Commons
London
SW1A 0AA

27th June 2018

Dear Nicky,

COMMUNICATION ON FINANCIAL SERVICES EU WITHDRAWAL PREPARATIONS

I am writing to inform you that on 27 June, my department published *HM Treasury's approach to financial services legislation under the EU Withdrawal Act*, a document outlining what HM Treasury is doing to ensure that a workable UK legal framework will exist for financial services by March 2019, regardless of the outcome of wider negotiations. It sets out how, by laying statutory instruments (SIs) under the EU (Withdrawal) Act, deficiencies in EU financial services legislation will be fixed to ensure it functions in a UK context. It also explains how this work relates to wider negotiations on the future relationship and the agreement on an implementation period.

The document has been published to provide reassurance to financial services stakeholders that a credible plan is being put in place for March 2019. It provides clarity on the secondary legislation process, and we will ensure that stakeholders are informed and engaged on this work.

While significant progress has been made on agreeing the terms of the implementation period and other major parts of the withdrawal agreement, it is important that the government continues to prepare for all scenarios, including a 'no deal' scenario. The process of laying secondary legislation is a vital part of these preparations, particularly for financial services, and I am more than happy to discuss HMT's work in more detail with you and parliamentary colleagues.

A copy of the document is attached and can be found on the gov.uk website (<https://www.gov.uk/government/publications/financial-services-legislation-under-the-eu-withdrawal-act>). I will also arrange for a copy of this letter and the publication to be deposited in the Libraries of the House.

I have written in similar terms to Sir Bill Cash, Chair of the European Scrutiny Committee.

with very best regards

JOHN GLEN 