



BANK OF ENGLAND
**PRUDENTIAL REGULATION
AUTHORITY**

The Rt. Hon. Nicky Morgan MP
Chair of the Treasury Committee
House of Commons
Committee Office
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Dear Chair

Thank you for your letter of 20th June. I appreciate you taking the time to raise your concerns.

Your letter covers three issues: I take each in turn.

First, we note your concern regarding the recording and transcript of meetings between Mr. Zelmer and individuals. We would like to reassure you that the purpose of the transcripts is solely to provide a record for Mr. Zelmer to help him prepare the report.

The approach taken in the Protocol of providing copies of the transcripts to the PRA follows that of previous regulatory reviews. It was included to facilitate the PRA in providing support to those individuals meeting with Mr. Zelmer, and to enable the PRA to more easily assist Mr. Zelmer with clarifications of fact or with further searches for particular documents arising from the meetings. In addition, copies of the transcript will also be provided to individuals attending the meetings, in order to enable those individuals to engage with Mr. Zelmer and correct any errors of fact.

Following your letter and acknowledging your concerns I have had a conversation with Mr. Zelmer. He and I are agreed that transcripts will not be shared with the PRA. We will amend the appropriate words in section 18 of the published Protocol dated 12 June 2018 on that basis.

Second, you are rightly concerned that individuals who may wish to provide evidence to Mr. Zelmer should have a route to do this, even if they have not previously been contacted by him. The Bank of England's website has published contact details for Mr. Zelmer's team in the section concerning the Review. I am pleased to report that an individual has already contacted the review team on their own initiative albeit using a different route and indeed Mr. Zelmer has met that individual.

As regards Mr. Zelmer's report and the report the PRA will submit to Treasury which is mentioned in your penultimate paragraph, I can confirm that these are one and the same. There will only be one report, although I think I can see why some confusion may have arisen. As per paragraph 34 of the Protocol, the PRA 'will arrange for your final report to be submitted to HMT', the 'your' in this context being Mr. Zelmer's report.

Finally, if it would be helpful for a meeting of your staff with the PRA team and Mr. Zelmer's team to explain our approach to the review and how it will be conducted in practice, please let me know and I will arrange this.

Yours sincerely

Dr Norval Bryson
Senior Responsible Officer &
Prudential Regulation Committee External Member