Dear Ms Morgan,

When I appeared before the Treasury Committee on 25 April, along with the Chancellor of the Exchequer, I promised to write with further information on a couple of issues raised by Committee members.

**Listing of EN+ Group on the London Stock Exchange**

The Financial Conduct Authority (FCA) is the competent authority for listings on the London Stock Exchange. The FCA can consult with relevant Government departments, but the decision as to whether or not to grant an application for listing is for the FCA alone.

The Office of Financial Sanctions Implementation (OFSI) is part of HM Treasury. Its remit is to ensure that financial sanctions are properly understood, implemented and enforced in the UK. OFSI does not provide legal advice but will provide guidance to assist on complying with sanctions. It remains, however, the responsibility of individuals and organisations to ensure that financial sanctions are not breached.

As the Chancellor noted to the Committee, sanctions are based on very clear criteria, and implemented according to very strict rules. Decisions on implementation are of course potentially subject to legal challenge. The UK Government enforces financial sanctions very strictly. The OFSI assesses any reported suspected breaches of financial sanctions and takes robust action where appropriate.
In the case of the EN+ Group, while reviewing the draft prospectus, the FCA noted the company's intention to use the float proceeds to repay existing debt outstanding to VTB Bank, which is a sanctioned entity under EU Council Regulation 833/2014. This Regulation does not prevent the repayment of existing debt to sanctioned entities.

In reaching its decision on whether to grant the application for listing, the FCA needed to take a view on whether the listing would be permitted under the sanctions regime, and discussed this with the OFSI. The FCA subsequently concluded that there would be no breach of sanctions and that the company met the applicable conditions for listing.

Under the applicable legislation, the Treasury (including the OFSI) has no power to intervene to block a flotation on national security grounds.

**Overseas persons’ exemption**

The Committee asked me to confirm that the ‘UK’s overseas persons’ exemption allows non-UK-based financial institutions cross border access to UK institutional investors and counterparties, and that access is not conditional on the jurisdiction or indeed that the jurisdiction maintains a degree of regulatory alignment”. I can confirm that this is the case, although it should be noted that the exemption is constructed carefully to be used by businesses without a permanent presence in the UK, and for transactions that occur with or through an authorised firm or person. This an aspect of UK financial services law found in article 72 of the FSMA (Regulated Activities) Order 2001, which applies not only to cross-border business with the EU but to global markets activity.