



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

Lord Thomas of Cwmgiedd
House of Lords
London
SW1A 0PW

25 May 2023

Dear Lord Thomas of Cwmgiedd,

FINANCIAL SERVICES AND MARKETS BILL: REGULATORS' MANDATE AND PROPORTIONALITY

Thank you for your contributions during the third Grand Committee debate on the Financial Services and Markets Bill, during which you asked what the regulators' views are on their mandate, and the proportionality of the rules they make, and whether they could set this out in two pages. As I said during the debate, it is not appropriate for me to speak for the regulators on these matters, but I have sought their views on the points you raised.

As such, please find enclosed letters from Sam Woods, the Deputy Governor and Chief Executive of the Prudential Regulation Authority (PRA) and Nikhil Rathi, the Chief Executive of the Financial Conduct Authority (FCA). The letters set out the respective views of the PRA and the FCA on their mandate and their approach to proportionality, which I hope you will find helpful.

I am copying this letter to other Peers who spoke during the debate. I am also placing a copy of this letter, and the enclosed, in the Library of the House.

Yours sincerely,

BARONESS PENN