

TULIP SIDDIQ MP



Nikhil Rathi
CEO Financial Conduct Authority
12 Endeavour Square
London, E20 1JN

HOUSE OF COMMONS
LONDON
SW1A 0AA

1 November 2022

Dear Mr Rathi,

I am writing to you about the Home Secretary's deliberate leak of sensitive Government information using her personal e-mail address.

The Financial Conduct Authority (FCA) is responsible for overseeing the market abuse regime and taking enforcement in relation to breaches of it. The FCA also publishes guidance for government departments on how to handle inside information and comply with the Market Abuse Regulation. I am therefore writing to you as there are increasingly concerning suggestions that the information disclosed by the Home Secretary contained highly sensitive information regarding Government plans for 'growth visas'. As the guidance from the FCA makes clear, policy changes can constitute inside information. This could have affected the projections by the Office of Budget Responsibility and thereby tangibly influence financial markets. As such, the information may have constituted inside information under the Market Abuse Regulation.

At the time of the Home Secretary's resignation, Downing Street officials informed journalists that one of the reasons for this was because her leaks included market sensitive information. I believe this is a case to answer. Furthermore, public interest and industry confidence in measures intending to prevent and deter insider trading relies on the knowledge that they will be fully enforced and that no-one is above the law.

The FCA's guidance is clear that Article 10 of the Market Abuse Regulation, which sets out the offence of unlawful disclosure of inside information is the most relevant area of the Market Abuse Regulation for government departments. It is also clear that if a person discloses inside information 'in the normal exercise of an employment, a profession or duties' then the law is not being broken. Regrettably, it is increasingly difficult to see that the disclosure of market sensitive, confidential, significant policy from a personal email address to someone outside of Government is included in this exception to the rules.

I understand that breaching insider trading laws does not require proof that market sensitive information has been acted upon for gain and that the act of unlawful disclosure is a serious offence in its own right. The FCA has successfully pursued instances of market abuse which did not deliberately set out to commit market abuse.

I would therefore like to ask the following:

- Will the FCA conduct a thorough investigation into the leak by the Home Secretary?
- Did any of the information disclosed by the Home Secretary fall under the definition of inside information in Article 7(1)(a) of the Market Abuse Regulation?

Member of Parliament for Hampstead and Kilburn
Telephone - 0208 127 5525 Email - tulip@tulipsiddiq.com Twitter - @TulipSiddiq

- Did the Home Secretary, with respect to any information leaked, breach Article 10(1) of the Market Abuse Regulation relating to unlawful disclosure?
- Can the FCA confirm the standards they expect of senior members of Government departments in relation to protecting market sensitive information?
- If it transpires that any inside information was leaked by the Home Secretary, can the FCA confirm that the potential penalties could include an unlimited fine?

Yours sincerely,

A handwritten signature in black ink that reads "Tulip". The signature is written in a cursive style with a horizontal line underneath the name.

Tulip Siddiq MP

Shadow City Minister

Member of Parliament for Hampstead and Kilburn