

TULIP SIDDIQ MP



Simon Case
Cabinet Secretary
Cabinet Office
70 Whitehall
London, SW1A 2AS

HOUSE OF COMMONS
LONDON
SW1A 0AA

1 November 2022

Dear Cabinet Secretary,

Re: Leaking of potentially market sensitive information by the Home Secretary

I am writing to you in my role as Shadow City Minister following the recent leaks from the Home Secretary Suella Braverman MP's personal email address to third parties, potentially in breach of market abuse legislation.

In the Prime Minister's first speech on the steps of Downing Street, he said that from now on 'integrity, professionalism, and accountability at every level' would be a hallmark of the Government. Already, we can see that this is not the case.

The Home Secretary, in her letter to the Home Affairs Select Committee, confirmed she used her personal email account to leak information relating to significant plans for a 'growth visa' that would have had a substantial impact on migration rules and the numbers of individuals working in different sectors in the United Kingdom. This was not an insignificant administrative email, but one that may have altered the projections from the Office for Budget Responsibility, thereby tangibly influencing financial markets.

It is not unreasonable to suggest that the disclosure of this policy could lead to insider trading on the value of sterling and affect the price of related FX futures if it fell into the wrong hands. At the time of the Home Secretary's resignation, Downing Street officials informed journalists that one of the reasons for this was because it included market sensitive information. It is important to note 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. As the guidance from the FCA makes clear, policy changes can constitute inside information.

It is alarming that the Home Secretary has been distributing documents with serious market implications without any consideration for their security or for market integrity. As the Financial Conduct Authority best practice note for government departments on handling inside information states, "because of the work you do, your organisation may hold information that is confidential, non-public and valuable. If it was disclosed to the public, it could affect the market prices of shares and other financial instruments. If handled incorrectly, it could lead to disorderly markets. This would damage the integrity of the UK market, as well as creating the potential for market abuse, such as insider dealing."¹

¹ <https://www.fca.org.uk/markets/best-practice-note-identifying-controlling-and-disclosing-inside-information>

Given the significance of the matter involving the Home Secretary I have asked the Financial Conduct Authority to investigate this case.

It is also incredibly important that the Government addresses this given the significance of the matter. If the information disclosed by the Home Secretary was indeed market sensitive, then by leaking it she could have breached the Government's own Market Abuse Regulation. This would be very serious at any level, but it is intolerable and inexcusable for the Home Secretary to be guilty of directly leaking market sensitive plans.

The Market Abuse Regulation applies to every person and business in our country and the Home Secretary must not be subject to different rules from the rest of us. Businesses in the financial sector and listed companies are rightly required to spend millions complying with the Market Abuse Regulation. They will be dismayed that the Home Secretary seems to think that different rules apply to her compared to everyone else.

I understand that the Home Secretary has claimed that the none of the data contained in the leak was market sensitive, alleging that all the data was already in the public domain. Given that it is suggested that the disclosure contained OBR-sensitive Government policy, this claim must be investigated in detail. In particular, information other than data can be market sensitive, such as policy plans, and it is therefore important to clarify whether the Home Secretary's leak contained any type of information which could be deemed 'market sensitive'.

I am therefore raising the following questions to ensure that this is properly addressed:

- Will the Cabinet Office commit to a thorough inquiry into the potential market significance of the contents of the information disclosed by the Home Secretary?
- Will the Cabinet Office confirm what Cabinet Office, Home Office and HM Treasury policies and procedures apply to the handling of market sensitive information by the Home Secretary and investigate whether any of these have been breached?
- Can the Cabinet Office confirm the Home Secretary's claim that there was no information whatsoever that could be deemed market sensitive in any of the leaked documents?
- Will the Cabinet Office explain why journalists were briefed by 10 Downing Street at the time of the Home Secretary's resignation that the information leaked was market sensitive, but now under the new Prime Minister government officials appear to be trying to downplay such a risk?
- 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?
- Did the Home Secretary, with respect to any information leaked, breach Article 10(1) of the Market Abuse Regulation relating to unlawful disclosure?
- If it transpires that any information was unlawfully leaked by the Home Secretary, what should be consequences for such a serious disclosure?
- If the Home Secretary has committed an illegal offence relating to the leak and any subsequent actions, what action will the Government take?
- Will there be an external investigation carried out by an independent advisor on ministerial standards into the circumstances around the leak and whether any offence has occurred? Can you confirm that the Independent adviser will have a retrospective remit to investigate this matter once they are appointed?
- Will government officials and ministers fully comply with any investigation from the Financial Conduct Authority into the leak from the Home Secretary?

- If any investigation by the Financial Conduct Authority finds that information leaked by the Home Secretary was indeed market sensitive, do you believe this would constitute a breach of the Ministerial Code?

These are serious questions, and they will not go away until resolved. If this government has even a shred of integrity it claims to have, or wants to deliver in the best interests of the British economy, it should not be difficult to respond with clarity and urgency.

The Britain people deserves a government that brings stability and growth and puts its people first. With a Labour government, that is what they will have.

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