

Financial Services and Markets Legislation City Liaison Group*

London Investment Banking Association
British Bankers' Association
International Swaps & Derivatives Association
Futures and Options Association
Investment Management Association
International Primary Market Association
Association of British Insurers
Linklaters
Clifford Chance LLP
Freshfields Bruckhaus Deringer

Natasha Cock
Financial Stability and Regulatory Policy Team
HM Treasury
1 Horse Guard Road
London SW1A 2HQ

Our Ref: MS/jun13/COM76C

21 June 2004

Dear Natasha Cock,

FSMA regime: "N2 plus 2" Review

I am just writing to follow up our telephone conversation last Friday, as we discussed then.

I can confirm that members of the City Liaison Group have reviewed the Law Society's Company Law Committee's response to the Changes to Secondary Legislation consultation, and that we have nothing to add at this stage. I should stress, though, that members have asked me to emphasise that we share the Law Society's concerns that the Treasury's proposals for changes to the legislation do not deal with all the issues that have been raised previously, in particular as regards amendments to the Regulated Activities Order.

As regards the points in our "outstanding issues" letter of 14th May, I look forward to hearing from you about possible meeting dates next month.

I am copying this to Marcello.

Yours sincerely,

Peter Beales