

Ms Caroline Pidgeon MBE AM
Chair of the Transport Committee
London Assembly
City Hall
The Queen's Walk
London
SE1 2AA

17 October 2018

Dear Ms Pidgeon,

Transport for London (TfL) listed securities

Thank you for your letter of 3 October in which you raised concerns regarding the regulatory announcements made by TfL in connection with its listed securities. TfL has several fixed income securities admitted to the Official List of the Financial Conduct Authority (FCA).

By way of background, the Market Oversight Directorate of the FCA is responsible for overseeing the conduct of participants in primary and secondary markets through the listing and market abuse regimes. This includes, amongst other things, monitoring the compliance of listed companies with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) (MAR).

We are aware of and are reviewing the issues referred to in your letter, with a view to determining whether it is appropriate for us to exercise any of our statutory powers. As part of this review we may use the information gathering powers available to us to seek further information from the subjects of the enquiry.

Post completion of our review we will then consider whether it is appropriate for the FCA to launch a formal investigation via its Enforcement Division, whether some other form of intervention is required or indeed whether the case should be closed with no further action. The FCA has recently published its Approach to Enforcement document which details the types of considerations that we will go through in considering whether to launch an investigation. In particular, this will be where we suspect that the circumstances suggest that serious misconduct has occurred and thus an important part of our consideration is the potential seriousness of the misconduct. I have provided a link to our Approach to Enforcement document below.

As noted on our website (link provided below), it is the FCA's policy that we do not provide information publicly about what action, if any, we propose to take. We would only do so in exceptional circumstances. These circumstances are detailed in our Enforcement Guide (specially within EG6) – I have provided both a link to this below and a copy of the most relevant provisions in the annex to this letter.

Given our policy, and taking into account our statutory confidentiality obligations, the FCA does not comment on specific matters unless our work results in a public disciplinary outcome. However, we can assure you that work is being carried on the issues highlighted in your letter and, where necessary, relevant parties will be contacted.

Thank you for taking the time to raise this issue with us.

Yours sincerely,

A handwritten signature in black ink that reads "Andrew Bailey". The signature is written in a cursive style with a small dot above the 'i' in Bailey.

Andrew Bailey
Chief Executive

Links as referred to above:

FCA webpage regarding complaints about listed companies detailing our approach to confidentiality:

<https://www.fca.org.uk/markets/ukla/contact/complaint-against-issuer>

Enforcement Guide – EG6:

<https://www.handbook.fca.org.uk/handbook/EG/6/?view=chapter>

Approach to Enforcement

<https://www.fca.org.uk/publication/corporate/our-approach-enforcement.pdf>

Annex

EG 6.1 Publicity during FCA investigations

EG 6.1.1 01/03/2016

The [FCA](#) will not normally make public the fact that it is or is not investigating a particular matter, or any of the findings or conclusions of an investigation except as described in other sections of this chapter. The following paragraphs deal with the exceptional circumstances in which the [FCA](#) may make a public announcement that it is or is not investigating a particular matter.

EG 6.1.2 01/03/2016

Where the matter in question has occurred in the context of a [takeover bid](#), and the following circumstances apply, the [FCA](#) may make a public announcement that it is not investigating, and does not propose to investigate, the matter. Those circumstances are where the [FCA](#):

1. has not appointed, and does not propose to appoint, investigators; and
2. considers (following discussion with the [Takeover Panel](#)) that such an announcement is appropriate in the interests of preventing or eliminating public uncertainty, speculation or rumour.

EG 6.1.3 01/03/2016

Where it is investigating any matter, the [FCA](#) will, in exceptional circumstances, make a public announcement that it is doing so if it considers such an announcement is desirable to:

1. maintain public confidence in the [financial system](#) or the market; or
2. protect [consumers](#) or investors; or
3. prevent widespread malpractice; or
4. help the investigation itself, for example by bringing forward witnesses; or
5. maintain the smooth operation of the market.

In deciding whether to make an announcement, the [FCA](#) will consider the potential prejudice that it believes may be caused to any [persons](#) who are, or who are likely to be, a subject of the investigation.

EG 6.1.4 01/03/2016