



BANK OF ENGLAND
LONDON EC2R 8AH

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By Email and Post

Dear Mr Gilani

Many thanks for your letter dated 31 August 2013 addressed to the Governor. The Governor has passed on your letter to me as his Chief Legal Adviser, and asked me to respond on his behalf.

As an initial point, we at the Bank of England recognise the important and valuable work done by Transparency International in tackling and exposing corruption around the world.

Turning to your letter, however, it is not clear how we will be able to assist you in this case. You state that you enclosed a letter which was sent to the CEO of HSBC New York and the Governor of the State Bank of Pakistan dated 29 July 2013, but this does not appear to be included with your letter of 31 August 2013. In any case, however, based on the information that was provided, it does not appear that the issues you raise – of corruption and potential illegality under Pakistani law – are ones which the Bank of England has the power or jurisdiction to investigate.

You are right to say that we are a regulator of banks, but we – specifically the Bank of England's subsidiary, the Prudential Regulation Authority (*PRA*) – are concerned with the safety and soundness of banks. In other words, we are concerned with ensuring that banks operate in a way that does not threaten the stability of the financial system in the United Kingdom.

Matters of market conduct are regulated by a separate UK regulator, the Financial Conduct Authority (*FCA*). We have passed on your letter to supervisors at the FCA but understand that they also do not see how they are in a position to investigate the issues you raise, at least based on the information provided in your letter.

In light of the above, I am afraid that we are not in a position to take this matter further. However, this should not discourage you from taking steps to pursue your own investigations. Should you be able to provide any information indicating why this is a matter for the Bank or PRA, we would of course be interested in receiving it.

Best regards

Graham Nicholson