



# Treasury Committee

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14 September 2015

*Dear James,*

Following your evidence to the Committee on 8 September 2015, there are a number of points where the Committee would welcome further information.

In the hearing, you said that you had provided HM Treasury with advice and a recommendation on when, and how, to complete a sale of RBS shares prior to the Rothschild Report. You said you would send the Committee this advice. You agreed to send documentation outlining UKFI's cost of carry on RBS shares, based on the most appropriate method that would be used to calculate it in a commercial environment.

You went on to say that, among other methods of disposal, you rejected the use of equity-linked options. You said you would provide the Committee with your reasons for the decision.

On short-selling, you were confident that UKFI could defend itself against accusations of insider trading. This was justified with reference to the safeguards in place to protect against such activity. You agreed to provide documentation detailing these safeguards.

Lastly, you revealed that your advisors – including some of the City's largest investment banks – are charging the government a £1 fee. It would be useful to obtain a clear answer from you as to where UKFI determines these advisors are making their return from this work.

I will be placing this letter, and, in due course, your reply, in the public domain.

*Yours sincerely,*  
*Andrew Tyrie*

**RT HON ANDREW TYRIE MP**  
**CHAIRMAN, TREASURY SELECT COMMITTEE**