



BANK OF ENGLAND

News release

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Lord Browne-Wilkinson to Chair New Bank of England Law Committee

The Bank of England announces the establishment of a Financial Markets Law Committee whose task will be to identify issues of legal uncertainty which might give rise to material risks in wholesale financial markets, and to help find ways to address them. It will also act as a bridge to the judiciary to ensure that UK courts remain up-to-date with developments in financial markets practice.

Lord Browne-Wilkinson and Bill Tudor John have agreed to serve as Chairman and Deputy Chairman respectively of the Financial Markets Law Committee, which will become operational in May.

Notes for Editors

1. The Bank seeks to achieve its core purpose of maintaining the stability of the financial system by monitoring developments in the financial system both at home and abroad, analysing the health of the domestic and international economy, co-operating closely with financial supervisors both domestically and internationally, and promoting sound financial infrastructure, including efficient payment and settlement arrangements. The Bank's Financial Markets Law Committee will contribute to the legal aspects of this.
2. Some element of legal uncertainty is inevitable in financial markets that are international, very competitive and innovative. Although the UK framework of law for financial markets is highly developed and robust, new ideas or practices can sometimes raise legal uncertainties as to how the law will apply, on occasion based on misunderstandings about existing law. In addition, proposals (whether at home or abroad) for new law or regulation can give rise to uncertainties or misunderstandings, when the specific features of wholesale market practice have not been fully understood by a legislator or other public authority.
3. Following the closure of the Financial Law Panel earlier this year, the Bank canvassed a wide range of opinion on whether and, if so, how best to cater for all such legal uncertainties. The general view was that not only should London continue to have arrangements in place to identify and analyse areas of legal uncertainty or misunderstanding affecting wholesale financial markets, but also that

participants in those markets would be happy to contribute to the Committee's work. In consequence, the Bank decided to establish its Financial Markets Law Committee.

4. The Chairman and Deputy-Chairman are Lord Browne-Wilkinson and Bill Tudor John. Other Committee Members will be senior lawyers and representatives of financial market participants, authorities, bodies and associations. The Bank will provide the Secretariat to the Committee.
5. It is hoped that, in constituting the new Committee, a degree of continuity from the Financial Law Panel will be maintained. In particular, Martin Thomas, formerly Deputy Chief Executive of the Financial Law Panel, has joined the Bank as Secretary to the new Committee.
6. However, the new Financial Markets Law Committee differs from the Financial Law Panel. Its scope of enquiry will be limited to issues specific to wholesale financial markets. Once identified, issues will be addressed in a variety of ways, ranging from informing commercial or public sector interests of the existence of a pertinent issue, to developing solutions. The Committee's resources are smaller than those of the Financial Law Panel and it is expected that it will rely heavily in its work on the resources of firms, both financial and professional, and trade bodies.
7. The Financial Markets Law Committee will fall within the responsibilities of Alastair Clark, Executive Director for Financial Stability at the Bank of England.
8. Lord Browne-Wilkinson has been a Supreme Court judge since 1977. He was promoted to the Court of Appeal in 1983 and appointed Vice-Chancellor (judge responsible for the Chancery Division of the High Court) in 1985. In 1991 he became a Law Lord and in 1998 was appointed Senior Law Lord (the UK's most senior permanent judicial position). Lord Browne-Wilkinson retired as Senior Law Lord in 2000.
9. Bill Tudor John is one of the City's most experienced banking lawyers. He joined the law firm Allen & Overy in 1967, becoming Senior Partner in 1994. In 2000 he left to join Lehman Brothers, where he is a Managing Director and the chairman of its European Commitment Committee. Bill was also a member of the Financial Law Panel from 1996 to 2002.