

Statement from Jonathan Laidlaw QC, the Bank's external counsel on the review

1. The SFO has conducted an investigation into certain of the Bank's liquidity auctions during the financial crisis<sup>1</sup>. As a result of the SFO's investigation, the Bank conducted its own document based review of the operation of other liquidity auctions in the same period. The Bank informed the SFO that it was undertaking this review, the scope of which did not overlap with the matters under investigation by the SFO. I was asked by the Bank to advise on material identified during its document review. I was able to conduct my review independently and formed my own judgements on the significance or otherwise of the material I reviewed.
2. The Bank provided me with relevant contemporaneous documents and sought my view – given the ambit of the SFO's investigation ongoing at that time – as to whether the Bank should report any further matters to the SFO.
3. Having reviewed the material provided to me, I considered a number of issues, but found only one particular matter identified during the course of the review which I believed – as a matter of good order - the Bank should report to the SFO. However, I advised the Bank that it was under no legal obligation to do so.
4. I considered the ambit of the SFO's investigation, and in particular the SFO's expectation expressed to the Bank that any information that could be relevant to its investigation should be brought to its attention (and that it was not for the Bank to judge the question of relevance).
5. I advised the Bank to refer this matter because of the existence of, and the breadth of, the SFO's investigation, noting that it is for the SFO, as the prosecuting authority, to determine whether or not a matter is relevant to its investigation.

Jonathan Laidlaw QC

23 June