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6 November 2008

Dear Bob

Share certificates and dematerialisation

Thank you for your letter of 16 September to Kitty Ussher MP concerning the dematerialisation of share certificates. I have been asked to reply as Financial Services Secretary to the Treasury and I apologise for the delay.

Firstly, I would like to express my gratitude for all the hard work involved in this industry project over the years. Having a robust, competitive and secure system for share trading in the UK is vitally important and the Government continues to support efforts in this area to maintain and improve this.

As you will be aware, we have been engaged in bilaterals with relevant stakeholders over the past several months on the dematerialisation project. It has become clear that the timing of dematerialisation must be carefully considered against the wider backdrop of other industry projects and current market conditions.

Emerging industry consensus is that the most appropriate timescale for implementation is during 2012. We will be working towards consultation on proposals for legislation in line with this timescale, recognising the need for early certainty.

As you will understand, this and any further commitment must be subject to the outcome of appropriate consultation.

Yours as ever

Paul

PAUL MYNERS
FINANCIAL SERVICES SECRETARY TO THE TREASURY