

To Members of the Leadership Board

Municipal Bonds Agency – Regulations surrounding the fund raising process

As we move into the fund raising process to get the Municipal Bonds Agency off the ground, we continue to need your support to promote interest in what we are seeking to do and in selling the concept both within the local government community and within the wider political sphere.

It would be very helpful to have your assistance in promoting the idea of the Bond Agency, which would:

- be of the highest standing and for the long term
- be owned by and under the control of the sector
- provide increased competition
- have the aim of giving local authorities lower borrowing costs and long term confidence over interest rates without fear of outside interference.

We are, however, raising investment in the Agency by way of selling equity shares in a company. This is potentially a regulated activity. So acting in a way that could be construed as inviting councils, other than your own of course, to invest money in the establishment of the Agency, or advising on the merits of such an investment would put you in danger of operating outside the law and should be avoided. Encouraging investment and fund raising should only be undertaken by authorised financial advisers and directors, employees or agents of the company: so if you feel your conversations with councils are leading into this regulated territory, please put your contacts in touch with Paul Raynes paul.raynes@local.gov.uk, John Wright john.wright@local.gov.uk, or Aidan Brady, Aidan.Brady@local.gov.uk.