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The Prime Minister
10 Downing Street
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Dear Prime Minister,

We are writing to express our concern about the British government's decision to ask the Serious Fraud Office to abandon its investigation into dealings between BAE Systems and Saudi Arabia.

The decision will have a high cost to business and investment. We are concerned that statements have been made suggesting that it might be in Britain's economic interest to turn a blind eye to the accusations. As investors in a great many companies around the world, we depend on the integrity of business practices globally. To date, the UK government has made great progress in this direction. This is one reason for the success of UK business and financial markets, and for the accolades which British regulation has received, most recently from the US Treasury Secretary.

The aim of that regulation has been to allow markets to operate openly, honestly and accountably. Clearly, bribery undermines these goals. It has an enormous cost, both to the giver and the receiver of bribes. Current examples in Germany and in South Africa, involving significant European companies, underline this. Bribery wastes business profits. It damages the reputation of the companies in which our clients invest and it undermines economic development in the countries where it is tolerated. Further, lack of credibility in the regulation of one company can spread to the rest of the stock market, creating higher risk premiums and cost of capital for all market participants.

We recognise that this problem will not be solved overnight. This is a global issue, requiring a long-term global solution. Until last week, Britain was seen as a leader in developing those solutions. We hope that every effort will now be made to re-establish that position.

Yours sincerely

Mark Anson
Chief Executive