



**BANK OF ENGLAND**

**Sir Jon Cunliffe**  
Deputy Governor, Financial Stability

4 June 2020

Dear CEO,

**THE DISTRIBUTION OF PROFITS GIVEN DEMANDS ARISING FROM COVID-19**

We are writing today to all regulated UK Financial Market Infrastructures and Specified Providers (“FMIs”) concerning the distribution of profits.

When UK FMIs’ boards are considering any distributions to shareholders or making decisions on variable remuneration, we expect them to pay close attention to the additional risks and potential financial and operational demands arising from Covid-19. We would expect you to discuss with us in advance of making any distribution to shareholders.

UK FMIs are critically important as financial markets rely on the continuity of the services they provide. Well-functioning FMIs improve the stability of markets and the wider financial system. In the current situation of high uncertainty, FMIs face greater risks to their financial and operational resilience. It is therefore critical that FMIs ensure their financial resources continue to be sufficient to maintain the services they provide to the wider financial system, and to absorb potential losses. Please share a copy of this letter with your Board. The Bank of England intends to publish this letter.

Yours sincerely,

Sir Jon Cunliffe  
Deputy Governor, Financial Stability