



From the
Minister of State
for Trade's Office

DEPARTMENT OF TRADE
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Mr R E S Prescott
Private Secretary to the Paymaster General
Privy Council Office
Whitehall
London
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19 October 1979

Dear Mr. Prescott,

COMPANIES BILL: INSIDER DEALING

In his letter of 15 October to the Secretary of State for Industry, a copy of which is enclosed, my Secretary of State wrote that our revised proposals on insider dealing should be the subject of wider consultation before being introduced into a Bill. We have now received the agreement of colleagues that, in moving the Second Reading of the Companies Bill on Monday, my Minister should say that we shall be publishing that day a consultative note with draft clauses on insider dealing with a view to these being added to the Bill if we are satisfied that we have got the approach right.

I enclose for your information a copy of the foreword to the consultative note, (the text itself is entirely technical, consisting of the draft clauses) which we shall be publishing on Monday. We shall simultaneously be issuing a Press Notice which will refer to the consultative note and to my Minister's announcement that the Government intend to table new clauses dealing with the duty of directors towards employees, and with directors' loans and other conflicts of interest.

A copy of this letter, and enclosures, goes to Nick Sanders at No 10, to Murdo Maclean in the Chief Whip's office and to John Stevens in the Chancellor of the Duchy's Office.

Yours ever,

Christine Bargery

CHRISTINE BARGERY
Private Secretary to the Minister
for Trade (CECIL PARKINSON)

22 OCT 1979

