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BOARD**

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Dear [CEO] Approved regulators and regulatory bodies

Internal Governance Rules – Evaluation review

As many of you will be aware, the LSB 2023/24 Business plan included a commitment to evaluate the operation and effectiveness of the Internal Governance Rules (IGR). We are beginning this project now and are seeking your views as we develop the scope of the review.

As a refresher, the aims of the IGR are threefold and will be the focus of our evaluation:

- a) enhancing the separation and independence of regulatory functions within the current legislative framework;
- b) providing more clarity to decrease the number of independence-related disputes; and
- c) making the rules readily enforceable for speedier resolution of issues.

Our current plans will involve seeking your general views on your experience of the IGR, any proposals that you have for change and details of how you have complied with the requirements contained in the IGR and guidance. We expect that your compliance experience will provide helpful insights into the areas where the LSB should look more closely.

As the purpose of this review is an evaluation of the current Rules and Guidance, we are not at the stage of committing to, and nor do we anticipate the need for, a full review of the IGR. This is based on the small number of matters that have been brought to the LSB's attention since 2019.

With this in mind, it would be helpful to have your perspective on what our evaluation should include. Which rules or aspects of the guidance would you like the LSB to revisit? Which rules work well? Are there areas where we do not need to include in the review?

It would be helpful to have your thoughts by the end of March 2024.

Yours sincerely

Matthew Hill
Chief Executive