

Minutes

Meeting: FCA Board

Date of Meeting: 28 April 2022

Start time: 09:00

Venue: Meeting held via Microsoft Teams

Members Present:	Charles Randell (Chair) Liam Coleman Bernadette Conroy Jeannette Lichner Richard Lloyd	Alice Maynard Nikhil Rathi Tommaso Valletti Sam Woods
In attendance:	Set out in Annex A	
Presenters:	Set out in Annex A	
Apologies:		

1 Declarations of interest

- 1.1 The meeting noted there was a quorum present and proceeded to business.
- 1.2 Bernadette Conroy was congratulated on her appointment as Chair of the Social Housing Regulator. The Board noted that the regulator would oversee a number of institutes that hold credit broking licences but agreed this did not create a material conflict to her position as an FCA Non-Executive Director.

2 Report from the Chief Executive

- 2.1 Mr Rathi briefed the Board on a number of topical issues, including:
- i. Cost of living crisis – the Board were briefed on the cross-FCA working group focusing on the cost-of-living crisis, including consumer credit, borrowers in financial difficulty and working with industry to ensure it was prepared to appropriately give forbearance and support to struggling and vulnerable consumers. The FCA was also working with Money Advice Service, StepChange and other organisations to promote messages about money and debt advice. The Board was keen to explore what early action could be taken by the FCA for vulnerable consumers affected by the cost-of-living crisis and to send a

strong message to firms on the FCA's approach and expectations, recognising the limits of the FCA's role in tackling the broader social welfare issues, which remain for Government to address.

- ii. Authorisations casework and Register – The Board were keen to hear more about the improvements being made to the Register and encouraged the team to proactively explore how the data of the register was being used on the internet in adverts and financial promotions, and what the FCA could do support accurate and responsible use of this data.
- iii. Access to cash legislation – the Board were briefed on the continuing developments on HMT's access to cash legislation and the ongoing engagement to ensure risks and unintended consequences are mitigated while ensuring the main aims of the legislation are still achieved. It was noted that the team was working closely with HMT to consider practical solutions that ensure HMT remained responsible for setting the Government's intended social policy outcomes and maintains the FCA's discretion over how it regulates cash. The Board were keen to be kept updated on progress reflecting that any coordination body that was overseen by the FCA would need appropriate public interest governance and a meaningful consumer voice to give credibility to any outputs delivered.
- iv. Complaints and FOIA – the Board noted the progress reported against the internal SLAs and requested a plan explaining the path to compliance.

3 Report from the PRA

- 3.1 Mr Woods briefed the Board on the business of the PRA that was of relevance to the FCA including ways of working and recent publications on potential reforms to Solvency II.

4 Russian/Ukraine Crisis Update and Reprioritisation

- 4.1 The Board received an update on the work being done relating to the Russia/Ukraine crisis, including joint working with the PRA, Bank of England, Ofgem and Government to share knowledge and provide support where the market has been impacted. It was noted that firms had been operationalising sanctions well and any potential impact on markets and the cost of living was being monitored and risk assessed. The Board reflected that the impact of this crisis on the economic situation would likely be felt by the industry and consumers for some time after the conflict had ended, as well as a broader impact on volatility of markets, including commodities and currencies.
- 4.2 Internally, it was noted that resourcing for work related to the crisis had been factored into resource bids as the timing had coincided with annual business planning. Lessons learnt from ways of working during the pandemic had been implemented to ensure effective prioritisation and de-prioritisation was being done in accordance with the governance framework, and the Board welcomed a comprehensive risk review that was underway to assess the impact of any readjustment of the business plan. The Board noted that some new activity had had a positive impact on previously planned work to accelerate delivery of commitments made in the business plan and to help deliver against the FCA's strategy.

-
- 4.3 To date, no cyber-attacks had been reported but the FCA was remaining vigilant to updates and was working with industry and regulators to share key information as appropriate.

5 Strengthening governance of environmental issues

- 5.1 The Board were briefed on the proposed approach to governance on climate-related issues within the Taskforce on Climate-related Financial Disclosures (TCFD) Report, due to be published in July alongside the FCA's annual report. It was considered that further training for the Board, senior leadership team and Panel members would be beneficial to give exposure to the full range of perspectives and issues on this subject. The Board discussed the advantages of creating an advisory committee to obtain better challenge and expertise but caveated that clear deliverables, scope and structure would need to be agreed to ensure outcomes were meaningful. The Board emphasised the importance of bringing diversity of thought to the group, including experts with diverse backgrounds to explore the needs and views of different product users, including the sometimes differing of younger generations of consumers.
- 5.2 The Board **approved** the proposed amendments to the Terms of Reference of the Audit Committee, Risk Committee and Nomination Committee with immediate effect and **agreed** that responsibility for reviewing the FCA's annual reporting on climate-related issues sat with the Board.
- 5.3 The Board **approved** to undertake training on environmental issues for Board and Panel members and to appoint an Environmental Advisory Committee, subject to a governance framework, including terms of reference and remuneration of members, being agreed in advance. The Board would review the effectiveness of the Committee after one year to assess the ongoing need, structure and scope of the Committee.

6 Financial Services Bill 2022 - Internal Discussion

- 6.1 The Board were updated on recent engagement with HMT on progress of the Financial Services and Markets Bill.

7 Financial Services Bill 2022

- 7.1 Gwyneth Nurse, Director of Financial Services and Rohan Lee, Deputy Director of Financial Services at HMT, joined the Board to discuss matters that were of interest to the FCA, including the Financial Services and Markets Bill 2022.
- 7.2 HMT committed to feeding back the views shared at the meeting and would continue to engage with FCA colleagues as the Parliamentary process progressed.

8 Monthly Reports from the Independent Panels

- 8.1 The Board **noted** the reports from the Independent Panels, in particular concerns raised around the cost-of-living crisis and the FCA's interventions to support consumers and the
-

market. The Practitioner Panel's and Smaller Business Practitioner Panel's comments on the Consumer Duty were also noted, specifically on timescales for implementation which the FCA committed to engaging with the Panels on.

9 Listing Authority Advisory Panel 'Spotlight' Session

- 9.1 The Board welcomed Mark Austin and Mandy Gradden (Chair and Deputy Chair of the Listing Authority Advisory Panel (LAAP)) to the meeting. The Board discussed key primary markets issues including Listing Regime reform, regulatory demands and coherence and Environmental, Social and Governance (ESG). Mr Austin noted the positive working relationship the Panel had with FCA colleagues on key listing issues and its support for recent regulatory reform, the FCA's proportionate outcomes-based model and the proposed secondary competitiveness objective for the regulator. The Panel's view was that this work would all contribute to a UK Listing Regime that was fit for purpose and would compare favourably with other regimes globally.
- 9.2 The Board noted the Panel's reflections on the current challenges for UK capital markets, many which would be outside of the FCA's remit. There was a significant opportunity for London to position itself as the neutral market for businesses and providers of international capital to meet and the Panel were keen to explore how the industry and the FCA could work together to maximise the UK's competitiveness and attractiveness.
- 9.3 The Panel were extremely supportive of the FCA's recent rules and guidance on ESG issues including measures aimed at diversifying representation on UK boards which went beyond other reviews and aligned well with international standards. It was considered that rolling out the mandatory TCFD requirements for issuers to standard listing companies would improve corporate levels of engagement.

10 Rules and Guidance and Technical Standards to be determined

- 10.1 The Board resolved to make the following instruments:
- A. Technical Standards (Electronic Reporting Format) Instrument 2022
 - B. Market Conduct Sourcebook (Data Reporting Services Cancellation) Instrument 2022
 - C. Application Fees (Amendment) Instrument 2022

11 Decisions of the Board/Board committee

- 11.1 The Board **approved** the minutes of the meeting held on 23 and 24 March 2022.
- 11.2 The Board noted the action log.
- 11.3 The Board noted the following decisions taken by written procedure:

A. To **approve** the British Steel Pension Scheme – Proposed asset retention rules

11.4 The Board **approved** the appointments of:

- A. Terecina Kwong as a member of the FCA Markets Practitioner Panel for a period of 3 years, with effect from 1 May 2022 to 30 April 2025.
- B. Steven Fine as a member of the FCA Markets Practitioner Panel for a period of 3 years, with effect from 1 May 2022 to 30 April 2025.

12 Reports from the Chairs of Board Committees

12.1 The Board noted the report from the Chair of the Oversight Committee meeting held on 24 February 2022, and the report from the Chair of the Risk Committee meeting held on 17 March 2022.

There being no further business the meeting closed.

Annex A: Attendees, presenters and observers

In attendance:

Sheree Howard – Executive Director, Risk and Compliance Oversight
Sheldon Mills – Executive Director, Consumers and Competition
Sarah Pritchard – Executive Director, Markets
Jessica Rusu – Executive Director, Chief Data, Information and Intelligence Officer
Emily Shepperd – Executive Director, Authorisations
Mark Steward – Executive Director, Enforcement and Market Oversight
Stephen Braviner Roman – Executive Director, General Counsel
Miles Bake – Director, Company Secretary
Graeme McLean – Head of Department, CEO’s office
Andrea Bowe – Director, CEO’s office
Ian Runacres – Manager, Chairman’s Office

Presenters and observers:

Item 1 - Declarations of interest	No attendees
Item 2 - Report from the Chief Executive	No attendees
Item 3 - Report from the PRA	No attendees
Item 4– Russian/Ukraine Crisis Update and Reprioritisation	Sarah Pritchard – Executive Director Emily Shepperd – Executive Director Shagufta Hassan – Manager
Item 5 – Strengthening governance of environmental issues	Sacha Sadan – Director Sean de Montford – Technical Specialist
Item 6 – Financial Services (FS) Bill 2022 – Internal Discussion	David Raw - Director Alex Smith – Head of Department Martin Boffey – Head of Department David Cross - Manager
Item 7 – Financial Services (FS) Bill 2022	Gwyneth Nurse – HMT Rohan Lee – HMT David Raw – Director Alex Smith – Head of Department Martin Boffey – Head of Department David Cross - Manager
Item 8 – Independent Panels Monthly Reports	No attendees
Item 9 – Listing Authority Advisory Panel ‘Spotlight’ Session	Mark Austin – Listing Authority Advisory Panel Chair Mandy Gradden – Listing Authority Advisory Panel Deputy Chair Clare Cole - Director

Item 10 - Rules and Guidance and Technical Standards to be determined	No attendees
Item 11 - Decisions of the Board	No attendees
Item 12 - Reports from the Chairs of Board committees	No attendees