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INVESTMENT  
ASSOCIATION

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 @InvAssoc  The Investment Association

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To whom it may concern,

**RE: CP21/25 Issuing statutory notices – a new approach to decision makers**

The Investment Association (IA) champions UK investment management, a world-leading industry which helps millions of households save for the future while supporting businesses and economic growth in the UK and abroad. Our 250 members range from smaller, specialist UK firms to European and global investment managers with a UK base. Collectively, they manage £8.5 trillion for savers and institutions, such as pension schemes and insurance companies, in the UK and beyond. The UK investment management industry is the largest in Europe and the second largest globally.

We are pleased to respond to the FCA's consultation on the new approach to decision making. The IA and our members have long been supporters of the role that the Regulatory Decisions Committee (RDC) plays in how the FCA enforces the Principles and Rules for Businesses. We also support the FCA's Transformation Programme and the desire to become a more efficient regulator of financial services.

The IA views the RDC as key to maintaining market confidence and would want the FCA to ensure the RDC continues to have a role in decisions on appropriate matters. Removing further powers than those proposed in the consultation would leave little opportunities for recourse other than judicial review, which is time-consuming and expensive.

Therefore, the IA does not object to the core proposals in the consultation, however there should be a regular review of the decisions made through Executive Procedures to ensure there are no systemic concerns from the way in which decisions are made. The IA recognise the importance of efficiency, but this must be balanced with appropriate rigor to maintain the FCA as a highly regarded regulator.

In line with our response to the HM Treasury's Future Regulatory Framework review, we urge there to be appropriate resources across Parliament, government, and regulators to provide the levels of scrutiny and accountability with transparent feedback mechanisms to



achieve the desired outcomes of a regulatory environment that is competitive, predictable and provide legal certainty.

Finally, the IA is keen to ensure that by changing the level at which such decisions are made does not increase the likelihood that they would be taken. These proposals should not lead to the FCA being without the appropriate checks and balances to mitigate the risk of decisions being less fair, occurring more rapidly and becoming more open to difficulties, which will then cause challenges in the industry and subsequently impact on the attractiveness of the UK for business.

We hope you find our feedback useful. We would be delighted to discuss further any of the matters raised in our response.

Yours faithfully,

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