

Minutes

Meeting: FCA Board

Date of Meeting: 23 November 2023

Start time: 09:00

Venue: Meeting held in Boardroom and via Microsoft Teams

Members Present: Ashley Alder (Chair) Liam Coleman
Aidene Walsh Nikhil Rathi
Alice Maynard Richard Lloyd
Bernadette Conroy Sam Woods
Sophie Hutcherson

In attendance: Set out in Annex A

Presenters: Set out in Annex A

Apologies: Steve Smart

1 Declarations of interest

1.1 The meeting noted there was a quorum present and proceeded to business.

2 Reports from the Chairs of Board Committees

2.1 The **noted** the verbal update from the Chair of the Joint FCA/PSR AuditCo Committee meeting held on 9 November 2023.

2.2 The Board **noted** the verbal update from the Chair of the RiskCo Committee meeting held on 9 November 2023.

- 2.3 The Board **noted** the verbal update from the Chair of the Joint FCA-PSR PeopleCo Committee meeting held on 16 November 2023.

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 and draw attention to a recent speech by the Bank's Executive Director for Markets.

4 Report from the PSR

- 4.1 Ms Walsh briefed the Board on the business of the PSR that was of relevance to the FCA, including:
- i. HM Treasury's "Future of Payments" review and New Payments Architecture.
 - ii. Interchange fees
 - iii. Open Banking
 - iv. The PSR Panel Chair recruitment
 - v. APP Scams.

5 Report from the Chief Executive

- 5.1 Mr Rathi briefed the Board on a number of topical issues, including:
- i. Challenges faced by smaller banks in the current economic environment.
 - ii. The forthcoming NAO report and recommendations.
 - iii. The recent actions in the US in relation to Binance.
 - iv. Bank deposits and savings rates, and the Consumer Duty's obligation on firms to demonstrate that their products represent fair value.

- v. The recent letter to the FCA from the Chancellor of the Exchequer and the Secretary of State for Work and Pensions, regarding the measures relating to pensions announced in the Government's Autumn Statement; and in particular, the role of the FCA's planned "Value for Money" rules in supporting this.

6 Sustainability Disclosure Requirements (SDR) and investment labels

6.1 The Board discussed the proposed rules around the SDR and investment labels. The Board considered and discussed the following areas:

- i. The definition of "sustainability" and the ability of the labelling regime to evolve alongside any future changes in how "sustainability" is viewed.
- ii. The link to other jurisdictions, particularly overseas funds which are marketed into the UK.
- iii. Consumer testing, to ensure consumers understood the labelling and were able to act.
- iv. Supervision and enforcement of the provisions; the Board received assurance regarding the skills and resources within the FCA available to support these new rules.
- v. "Switching Costs".

6.2 The Board also discussed (i) ESG ratings and (ii) the SFDR.

6.3 The Board **approved** the final rules and guidance, and to publish the SDR and investment labels Policy Statement and anti-greenwashing guidance Consultation Paper on 28 November.

7 Rules, Guidance and Technical Standards to be determined:

7.1 The Board **resolved** to make the following instrument:

- i. Sustainability Labelling and Disclosure of Sustainability-Related Financial Information Instrument 2023

7.2 The Board **resolved** to make the following instruments in principle:

- i. Senior Management Arrangements, Systems and Controls Instrument 2023

8 Decisions of the Board

- 8.1 The Board **approved** the minutes of the meeting held on 26 October 2023, subject to the incorporation of certain amendments.
- 8.2 The Board **noted** the action log and **approved** the closure of completed actions.
- 8.3 The Board **approved** the following Panel appointments:
 - i. The Appointment of **Steven Fine** as Deputy Chair of the FCA Markets Practitioner Panel from 1 December 2023 to 30 April 2025.

9 Papers for noting

Written Procedures

- 9.1 The Board **noted** the following decisions taken by written procedure:
 - i. Approve the creation of a Board Sub-Committee with delegated decision-making powers in relation to certain recommendations from the Complaints Commissioner; and to delegate the selection and composition of the Board Sub-Committee to the Chair.

Independent Panels Monthly Reports

- 9.2 The Board **noted** the reports from the Independent Panels.

Transforming Data Collection Programme update

- 9.3 The Board **noted** the progress of the FCA's Transformation Programme and Joint Transformation Programme (FCA/BoE) and gathered feedback on the projects and priorities.

Consultation paper on commodity derivatives

- 9.4 PaRCo recommended to the Board the approval of the publication of the commodity derivatives consultation at the meeting on 8 June 2023. The paper notified the Board of the CP publication in December. The consultation paper has incorporated the feedback and steers given by PaRCo in June – in particular use of an exec summary and foreword to explain the strategic intent of this work.

Credit information Market Study (CIMS) final report and proposed remedies package

- 9.5 To Board **noted** the proposed CIMS remedies package and implementation methods, as agreed by ERPC on 23rd October.

Board Effectiveness Review 2023 proposal

- 9.6 The Board **noted** the proposed approach for this year's self-evaluation and recommended that the survey be sent to certain colleagues in addition to the Board and Executive Directors.

The Board considered the overall accessibility of the meeting and will consider further if there are improvements than can be made.

There being no further business the meeting closed.

Annex A: Attendees, presenters and observers

In attendance:

Emily Shepperd – Executive Director, Chief Operating Officer
 Jessica Rusu – Executive Director, Chief Data, Information and Intelligence Officer
 Sarah Pritchard – Executive Director, Markets
 Sheldon Mills – Executive Director, Consumers and Competition
 Sheree Howard – Executive Director, Risk and Compliance Oversight
 Stephen Braviner Roman – Executive Director, General Counsel
 Therese Chambers – Executive Director, Enforcement and Market Oversight
 Miles Bake – Director, Company Secretary
 Graeme McLean – Head of Department, Chief Executive Office
 Dave Eaton – Manager, Chair’s Office

Presenters and observers:

Item 1 - Declarations of interest	No attendees
Item 2 – Reports from Chairs of Board Committees	No attendees
Item 3 - Report from the PRA	No attendees
Item 4 – Report from the PSR	No attendees
Item 5 - Report from the Chief Executive	No attendees
Item 6 - Sustainability Disclosure Requirements (SDR) and investment labels -final rules	Sacha Sadan – Director Louisa Chender – Technical Specialist Alicia Kedzierski – Head of Department
Item 7– Rules and Guidance and Technical Standards to be determined	No attendees
Item 8 – Decisions of the Board	No attendees
Item 9 – Papers for noting	No attendees