

HM Treasury
PRA
FCA (Governance and Cross Cutting Standards Policy Team)

By email

3 October 2025

Dear Sir/Madam,

FCA Practitioner Panel response to the HM Treasury consultation on Reforming the Senior Managers and Certification Regime (SM&CR), and FCA and PRA consultations on SM&CR review (CP25/21 and CP18/25)

The UK's Financial Conduct Authority (FCA) Practitioner Panel (the Panel) is a statutory Panel created by the FCA with the key remit of representing the interests of practitioners of larger firms and providing input to the FCA from the industry in order to help it in meeting its statutory and operational objectives in an effective manner. Further details of the Panel are available on its website at <https://www.fca-pp.org.uk/>.

The Panel is broadly supportive of the proposals to streamline the SM&CR, including the aim of reducing administrative burden and adopting a proportionate approach while maintaining its role in supporting high standards in financial services firms. We welcome that a joined-up approach is being taken by HM Treasury, the FCA and the PRA to ensure alignment, and would encourage that energies are focussed on process improvements which can be made now, given legislative change takes time.

We would particularly highlight the following:

- Maintaining the certification regime is particularly important for advising roles to safeguard consumer protection.
- A proportionate approach should be taken to the Statement of Responsibilities (SoR) requirement, particularly reducing administration for dual-regulated firms with Management Responsibility Maps (MRMs).
- A review of the current number of Senior Manager Functions (SMFs) would be helpful.
- We support that the overall time period for the temporary approval of SMFs is extended from 12 weeks to 6 months to provide a more realistic timeframe for firms to submit an application and reduce burden. The FCA/PRA should still aim to determine applications as soon as possible once received, within their 3-month statutory time limit.

Given the reliance placed on the SM&CR regime for holding senior management accountable it would be a good time for regulators to consider allowing asset management firms to set their own, lower and more reasonable levels of capital.

We would be happy to discuss any of these points further.

Yours faithfully,

[signed]

Matt Hammerstein
Chair, FCA Practitioner Panel