

Senior Managers & Certification Regime Call for Evidence,  
Financial Services Strategy,  
HM Treasury,  
1 Horse Guards Road,  
SW1A 2HQ



By email

22 May 2023

Dear Sir/ Madam,

**SMALLER BUSINESS PRACTITIONER PANEL RESPONSE TO SENIOR MANAGERS & CERTIFICATION REGIME CALL FOR EVIDENCE**

The Panel welcomes the opportunity to respond to this call for evidence. Fundamentally, our view is that no significant changes are needed to the Senior Managers & Certification Regime at this time. Our broad observations are that the Regime is well established with roles and accountabilities now much better defined, effective conduct rules, ongoing costs are manageable, and recent improvements to the FCA's authorisations process appear to be having a positive impact on reducing backlogs. In our view a wholesale redesign of the Regime would be counter-productive and place undue burden on smaller businesses in diverting already stretched firm resources away from other priority work, particularly implementation of the Consumer Duty. Within this context, we have addressed below some specific suggestions for minor amendments to the operation and execution of the regime rather than the principles that might be usefully considered:

- On the scope of SM&CR, it may be appropriate to introduce a threshold under which SM&CR does not apply in the context of the cost and burden on smaller firms outweighing the potential for harm.
- On the interaction of SM&CR with other regulatory regimes it would be helpful for the Appointed Representatives Regime to be aligned with SM&CR.
- There is a potential a gap whereby those only advising on insurance who are not required to have a qualification do not appear on the FCA Directory of certified and assessed persons.
- For dual regulated firms, there is scope to streamline interpretations and ensure consistent feedback from the FCA and the PRA regarding individual permissions, responsibilities and functions.
- The frequency of certification review might be an area for review, depending on ease of implementing change to current requirements.

We will be addressing these points in more depth in our response to the FCA discussion paper and would be happy to discuss further.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'A Mielczarek'.

Andy Mielczarek  
Chair, FCA Smaller Business Practitioner Panel