

FCA Enterprise Act

Annual report 2017/18

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1 Introduction

When we act successfully to reduce or prevent harm, we are creating benefits, and often also costs to firms. It is important that we use the tools given to us by Parliament in a cost effective way.

Our Mission sets out how we approach this task. Our interventions aim to maximise 'public value'. This means reducing harm to end-users of financial services and markets as cost effectively as possible. When we talk about the users of financial services in the United Kingdom (UK), this covers a broad set of consumers: both individual consumers and firms.

In order to gauge the public value of our interventions, we need to understand the costs they create for businesses.

One way in which we measure the costs of our regulation, and are transparent about these costs, is through the reporting requirements in the Small Business, Enterprise and Employment Act 2015 as amended by the Enterprise Act 2016 (the Act).

We have a statutory requirement to publish a range of information specified in the Act. We are required to report on any changes we make that impose/amend a requirement, set/amend standards or give/amend guidance for business or relate to securing compliance with such requirement, standards, guidance etc. These activities are classified as 'Regulatory Provisions' (RPs) under the Act. The information we are required to publish includes:

- a. a list of qualifying regulatory provisions (QRPs) that came into effect or ceased to have effect during the relevant period
- b. impact assessments verified by the independent Regulatory Policy Committee¹ (RPC) for those QRPs
- c. a summary of non-qualifying regulatory provisions (ie those regulatory provisions that fall within exclusions applying under the Act) which came into effect or ceased to have effect during the relevant period.

This report provides the information for reporting period of 9 June 2017 to 20 June 2018.

Qualifying regulatory provisions (QRPs) and non-qualifying regulatory provisions (NQRPs)

The Act distinguishes between two categories of RPs: qualifying regulatory provisions (QRPs) and non-qualifying regulatory provisions (NQRPs). We are required to publish impact assessments for each QRP. These assess the cost imposed on business by our requirements according to a specified methodology and must be validated by the RPC.

All new FCA requirements will be treated as qualifying unless they fall under one of the exclusion categories listed in a written ministerial statement by the Secretary of State for Business, Energy and Industrial Strategy (BEIS). Where a category of exclusion applies the requirement is classified as NQRP.

1 Further information on the Regulatory Policy Committee can be found here: www.gov.uk/government/organisations/regulatory-policy-committee

Increase in the de minimis

During this reporting period BEIS introduced a new exclusion in the form of a 'de minimis QRP' (the exclusion of an item of minimal importance). This means that if a QRP has a cost of less than £5m a year over a 5 year period it will be reported as an NQRP. This has reduced the number of regulatory provisions that require a full impact assessment.

BEIS has given individual regulators discretion to determine how they assess the cost of RPs below the de minimis. We have submitted and published an impact assessment whenever there was doubt about whether costs fall under the equivalent annual net direct cost to business (EANDCB) £5m per year de minimis exclusion.

Cost benefit analysis (CBAs)

In addition to the impact assessments produced as part of the Act, the FCA also creates cost benefit analysis (CBAs). We are required to create and publish a CBA on certain initiatives under the Financial Services and Markets Act (2000) (FSMA). These provide a broader perspective than Enterprise Act Impact Assessments because they analyse costs and benefits to consumers and society in addition to the cost to business.

Annual Report

The FCA also produces an Annual Report and Accounts. This shows how our work over the last year has met our strategic objective of ensuring relevant markets work well. In line with the commitment we made to evaluation in Our Mission 2017, our 2017/18 Annual Report and Accounts will include outcome indicators for each sector. These help to show whether key harms that we have prioritised in each sector could be increasing or decreasing over time.

2 Executive summary

Reporting under the Act provides a picture of costs to business created by some interventions. This picture is, however, incomplete in a number of respects. Two of these are particularly relevant.

The importance of NQRPs

Firstly, the majority of the work the FCA does within the scope of the Act is non-qualifying and is excluded from the requirement to complete an impact assessment. The exclusions most relevant to our work are:

- pro-competition measures
- regulatory activities: casework, information, education and advice, policy development and organisation and management
- European Union (EU) and international obligations
- fines, penalties and redress and restitution
- systemic financial risk

Non qualifying measures during this reporting period include:

- implementation of significant EU directives,
- a strategic review of retail banking, and
- a completed market study on asset management.

Chapter 4 of this report summarises NQRPs introduced during the reporting period. The number and size of NQRPs makes it disproportionate for us to list them individually.

Wider costs and benefits

Secondly, reporting under the Act using the methodology prescribed by Government excludes costs and benefits to consumers and society. As a result, impact assessments, and the figures published here, do not reflect much of the rationale for our interventions. The section below (Benefits to users of financial services) provides more detail on this question.

QRPs this year

During the reporting period we have produced 15 QRPs. The majority of these relate to the extension of the second Markets in Financial Instruments Directive (MiFID II) requirements. The relevant Consultation Paper for each of these measures sets out the benefits we expect each extension to achieve to both firms and consumers. For example, we explain that extending MiFID II rules on inducements to collective portfolio managers of funds or collective investment schemes will result in improvements in the quality of research and avoid firms overbuying research.

A full list of QRPs for this reporting period is provided in Annex 1 of this report.

3 Benefits to users of financial services

Many of the measures we take are designed to benefit consumers or markets rather than businesses. The impact assessments we are required to complete under the Act are therefore a partial view of our work. They exclude much of the benefit we are trying to achieve. For example, benefits to households purchasing mortgages, general insurance products and other financial services are outside the scope of these impact assessments. Similarly, our work on promoting competition and firm-specific supervision is not captured in this report.

In contrast, CBAs that we publish to support our consultations on rule changes seek to capture the total costs and benefits from our interventions. Our CBAs also look at significant direct and indirect effects of our intervention, where impact assessments generally focus on initial and direct impact on businesses. Some of the benefits to non-business consumers identified in our CBAs include:

- future gains from innovation
- probability reduction of major market disruption
- reduction in likelihood of financial crisis
- lower prices
- reduction in the probability of individuals' financial loss
- more appropriate consumer transactions
- psychological eg stress prevented
- time saved

The benefits assessed in this report and our impact assessments are far less extensive than those covered in our CBAs. Some of the benefits to business captured in this report include:

- Lower prices paid for a good or service where we act in a way that reduces the cost of a regulated service and the consumers of the regulated service are themselves firms.
- Time saved by regulated firms in ending reporting, disclosure or other processes that are no longer specified in our rules. Regulatory provisions may reduce the amount of time and resource needed for firms to meet their regulatory obligations. For example, a standardised reporting template may mean less staff time is needed for regulatory reporting.

In some cases, removing a rule that restricts firms' contracts allows firms to generate additional profits in ways that count as benefits under the Act. In assessing impact assessments, the RPC quite rightly focuses on the reliability of the estimate.

With these important caveats in mind, figures in this document explain costs and benefits created for business by QRPs this year, according to the methodology set out by BEIS.

4 Qualifying Regulatory Provisions (QRPs)

Assessment of impact on firms from activities which were QRPs

Costs and benefits outlined in this report should be read in the context of the important caveats outlined above. The methodology specified by Government suggests that a benefit of £621.4 million over the prescribed 5-year period has been created this reporting period, as validated by the RPC. As noted, this excludes the costs created by NQRPs such as market studies.

Of the impact assessments validated by the RPC, most relate to implementation of MiFID II. In several cases we decided to extend the requirements of MiFID II beyond European requirements. For example, independent financial advisers consider both MiFID and non-MiFID products when making personal recommendations. Given this, we proposed implementing the MiFID II standard to both MiFID financial instruments, structured deposits and other non-MiFID retail investment products for retail clients. This ensures consistent regulatory standards for both MiFID and non-MiFID products, a competitive and level playing field, and prevents consumer confusion.

Similarly, we introduced a number of changes to our regulation as a result of the introduction of the second Payment Services Directive (PSD2). For instance, we are requiring payment institutions (PIs), e-money institutions (EMIs) and registered account information service providers (RAISPs) to report on payment services and e-money complaints in a new reporting form: 'The Payment Services Complaints Return'. This contains the elements that are most relevant to our supervisory focus, which we have revised in light of PSD2.

In 2014, we made rules to limit the term length of unbreakable deposits for client money to 30 days (30 Day Rule). Feedback from firms on the 30 Day Rule suggested they experienced difficulty depositing client money at banks due to an unintended consequence of this rule and prudential liquidity rules for banks. In response, PS 18/2 increased the term length of an unbreakable deposit to 95 days, which allows firms to earn interest payments on client money. These interest earnings are considered a benefit to firms under the Enterprise Act, even though industry feedback suggests that between 10-50% will be passed onto consumers.

5 Non-qualifying regulatory provisions (NQRPs)

Under the Act, there are a number of exclusions which allow our work to be considered a NQRP. These exclusions cover interventions that may create significant costs for businesses.

This chapter provides a summary of our activities which are considered NQRPs. The most relevant exclusions are:

- European Union and international regulations, decisions and directives including measures incorporating EU law into domestic law under the EU Withdrawal Bill and legislation made for the purpose of implementing the EU Withdrawal Agreement, including implementation of new EU law during the implementation period
- fines and penalties, and redress and restitution
- pro-competition measures
- systemic financial risk
- regulator case work
- information, education and advice
- policy development

We summarise key examples by exclusion below.

A further 13 regulatory provisions are counted as NQRPs because they are covered by the new de minimis rule, namely they have an EANDCB of less than £25 million over a 5 year period. These measures include standalone minor policy changes, thematic reports, letters to firms, handbook and notices etc. A full list of the NQRPs which fall under this clause are found in Annex 3.

During the reporting year, the FCA has not carried out any activities that would fall under the exclusions for: civil emergencies, misuse of Drugs Act, deficiencies in retained EU law, Government's response to the Grenfell tragedy and Regulator Activities: Organisation and Management.

Regulator Activities: Regulator casework

By number, casework was the most common category of NQRP during the reporting period.

Our work means that we process applications for authorisation. For example, in this reporting period we have processed 4,489 applications for authorisation from firms (this includes applications which were approved, rejected and withdrawn).

During this reporting period we also processed 1,919 applications for approval of a change in control, 2,734 cancellations of permission and 433 individual waivers. We also varied 2,742 firms' permissions, processed 7,180 mutual societies' returns and 11,814 firms'

applications for passporting.^{2,3}

Once firms are authorised we undertake a range of supervisory activities. For example, during the reporting period we held approximately 5,000 meetings with our larger - fixed portfolio - firms. While not all of these meetings would have resulted in RPs, the wide definition of guidance under the Act means individual guidance may often have been given.

In addition, as part of our ongoing supervision of our largest firms, we proactively intervene to make sure issues do not escalate. This reporting period saw the FCA identify and track approximately 438 potential issues at our largest firms. Not all of these interactions would have involved giving specific guidance or imposing a requirement however, as above, it is likely many of them would have amounted to RPs under the Act. Separately, approximately 574 other issues were identified that resulted in further communication with individual firms.

Firms and individuals can phone, email and write to our firm contact centre for individual help and guidance on regulatory processes, application of rules and other regulatory matters. For example, between April 2017 and March 2018 alone the contact centre took 108,328 phone calls from firms, answered 29,040 emails/web forms/webchats and 2,133 letters.⁴ Similarly we run 'Live & Local' events across the whole of the UK, to provide advice for investment, general insurance and mortgage firms.

We also investigate firms where we suspect serious misconduct has occurred, the outcome of which can be enforcement or supervisory action, or a combination of both. At any given time we have a number of matters at different stages of investigation and litigation across a range of sectors such as retail lending, financial crime, wholesale conduct and insider dealing. Over the reporting period, we closed 63 investigations relating to firms and we opened 122. We commenced 11 proceedings against firms. At the end of the period (as at 20 June 2018), we had 196 live matters relating to firms, of which 184 were at investigation stage and 12 were in litigation (referred to the RDC, Upper Tribunal or Courts).

Between 9 June 2017 and 20 June 2018, we temporarily suspended or restricted the activities of 9 firms, issued 7 fines to firms and publicly censured 1 firm. We also took civil action against 4 unregulated firms, obtaining injunctions and restitution orders and securing the return of some of the funds to investors. We have classified all this work as NQRPs on the basis that it falls within the exclusion for regulator casework.⁵

Pro-competition measures

We have an objective to promote effective competition in the interests of consumers across the regulated financial services industry. We also have a competition duty and powers to enforce against breaches of competition law for the provision of financial services generally. As a result, a number of areas of our work this year were covered by the pro-competition measures exclusion.

² Passporting allows firms to establish a presence or carry out its permitted activities in another country in the European Economic Area (EEA).

³ This is the number of new passports and amendments to existing passports.

⁴ Service Standards (as of May 2018) www.fca.org.uk/publication/corporate/service-standards-may-2018.pdf

⁵ These figures exclude threshold conditions cases, where the firms, against which we take enforcement action, do not satisfy the FCA's minimum standards to remain authorised by the FCA to carry out regulated activities. They also exclude cases against individuals.

In this period we published our final report for the Asset Management Market Study, began 2 new studies into the work of investment platforms and wholesale insurance brokers, continued work on the mortgage market, and announced plans for a market study on credit information.

Completed market studies

Market studies are in-depth, evidence-driven investigations, generally taking 12-18 months. Following a market study, we typically make rules or take other action to make the market work better in the future.

In June 2017, we published the final report of our Asset Management market study.⁶ Its aim was to understand whether competition is working effectively to enable investors to get value for money when purchasing asset management services. We proposed a package of remedies in the final report of this market study that aim to make competition work better, and protect those least able to actively engage with their asset manager. The costs and benefits of remedies implemented as a result of this market study were assessed as part of the relevant CBAs.

Remedies and interventions targeted at promoting competition are covered by the pro-competition exclusion of the Act.

Market studies underway

We have 4 market studies in progress, further details can be found in the 2018/19 FCA Business Plan.

As an example, in July 2017, we launched our Investment Platforms market study.⁷ This market study is looking at how platforms compete and their impact on the overall charges investors pay for their retail investment products. We will publish our interim report in summer 2018, setting out any problems we see in the market and any action we intend to take.

Other competition work

We have powers to enforce EU and UK competition law relating to financial services and also carry out other competition work, such as strategic reviews.

For example, in May 2017, we launched the Strategic Review of Retail Banking Business Models.⁸ The sector has experienced a range of changes including 'lower for longer' interest rates, Open Banking, increased use of digital channels by consumers, regulatory interventions such as ring-fencing, and remedies introduced by the CMA. The Strategic Review will explore a variety of indicators of harm such as profitability and integrated

6 For further information refer to the Asset Management Market Study Final Report: www.fca.org.uk/publications/market-studies/asset-management-market-study

7 For further information refer to the Investment Platforms Market Study Terms of Reference: www.fca.org.uk/publication/market-studies/ms17-1-1.pdf

8 For further information, refer to Strategic Review of Retail Banking Business Models Purpose and Scope: www.fca.org.uk/publication/multi-firm-reviews/strategic-review-retail-banking-business-models-scope.pdf

supply chains and barriers to entry and growth.

As the main reason for this is work is to promote effective competition in the market we classify it as non-qualifying.

EU and international obligations

Our remit includes implementation, supervision and enforcement of EU and international regulatory policy and standards in the UK. We classify associated implementation activities, with the exception of 'gold-plating' or going beyond what is required to comply, as NQRPs.

Policy changes that were not required in relation to EU or international legislation are captured separately as QRPs unless they fall under a different exclusion.

Further examples of NQRPs due to the EU and international obligation exclusion, during this reporting period include:

- implementation of EU Money Market Funds Regulation
- elements of our implementation of the Markets in Financial Instruments Directive II (MiFID II) including retaining retail distribution review adviser charging and platform and existing client assets rules
- elements of our implementation of PSD2

Regulator Activities: Policy development

We launched 46 consultations during the reporting period. This includes Quarterly Consultation Papers (QCPs), guidance consultations, discussion papers and calls for input. Under the exclusion for policy development, we classify these as NQRPs. We report separately on QRPs relating to final policy rules and guidance made in the same period.

Other policy activities excluded are the discussions and engagements we undertake with consumers, consumer groups, firms, industry bodies and other interested parties, to hear their views and understand issues, in the course of developing new policy. For example, in designing policy measures to extend the Senior Managers and Certification Regime (SM&CR) to all FCA regulated firms, on which we consulted in July 2017, we met extensively with stakeholders to discuss the proposals.

Systemic financial risk

We are the prudential supervisor for approximately 46,000 firms. Within this 18,000 firms have a prudential regime, which provides more detail on the standards that need to be met. We focus on the prudential soundness of these firms to avoid disorderly failure and minimise harm to consumers, the real economy and the UK financial system itself.

We exclude the majority of work undertaken in this area because it addresses systemic financial risk.

For instance, in June 2017, we set out our approach to using our powers to compel banks to contribute to the London Interbank Offer Rate (LIBOR) and confirmed that all current LIBOR submitters would continue to provide data until the end of 2021. LIBOR is a systemically important benchmark that provides the foundation for transactions across global financial markets. The reliability and accuracy of the benchmark is therefore crucial for market participants and investors alike. Given the implications for market integrity and systemic risk we have classified this work as non-qualifying.

Fines and penalties, and redress and restitution

Through our enforcement activities, we identify and address behaviour that fails to meet our standards, or is dishonest or unlawful. We have deterrent and remedial powers that include redress and restorative measures.

Our enforcement investigations into firms and individuals are conducted as casework and are therefore excluded under this provision.

When an appropriate case outcome has been reached, we can apply sanctions and financial penalties.

Changes to our redress and penalties policies are covered under the exclusion relating to fines, penalties, redress and restitution. For example, in October 2017, we issued finalised guidance for firms on how to calculate redress for unsuitable defined benefit pension scheme transfers. This set out an updated methodology to calculate redress in cases where non-compliant or unsuitable advice had been provided by a firm relating to the transfer.

Regulator Activities: Information, education and advice

An example of how this exclusion applies took place in July 2017 when we issued a Notice of Undertaking for London General Insurance Company Limited. The Notice of Undertaking set out our concerns under the Consumer Rights Act 2015 about the clarity of the items which were covered by the policy and therefore whether customers could make a claim. It also set out the action the firm took to resolve our concerns. As this Notice of Undertaking only applied to London General Insurance Company Limited we have classified this as non-qualifying as it falls under the 'information, education and advice' exclusion category as the purpose of publishing it was to inform other firms and interested parties.

Annex 1 List of QRPs

Full title of measure	Date	Description of the measure
MiFID II: extension of certain MiFID II independence provisions to firms providing personal recommendations to retail clients on non-MiFID business/products so that they are consistent with the provisions applying to MiFID business	June 2017	Work to apply MiFID II standard to MiFID financial instruments, structured deposits and other non-MiFID retail investment products for retail clients
MiFID II: extension of certain MiFID II inducement provisions to firms providing investment advice and portfolio management to retail clients	June 2017	Work to apply MiFID II inducement rules for advisers so that they mirror / enhance the pre-existing Retail Distribution Review (RDR) rules in place in the UK
MiFID II: amendments to certain disclosure requirements which apply to non-MiFID business so that they are consistent with the provisions applying to MiFID business	June 2017	Work to amend some rules relevant to non-MiFID business so they are consistent with the provisions applying in relation to MiFID business
MiFID II: product governance provisions to firms undertaking non-MiFID designated investment business	June 2017	Work to apply MiFID II product governance requirements as guidance to firms manufacturing and distributing products in scope of MiFID by way of non-MiFID designated investment business
MiFID II: extension of research and inducements provisions to collective portfolio managers	June 2017	Work to hold collective portfolio managers to similar standards as firms providing individual discretionary portfolio management services
MiFID II: client categorisation	June 2017	Work to develop appropriate regulatory protections for local and municipal public bodies in investment services
MiFID II: provisions to Occupation Pension Scheme (OPS) firms	June 2017	Work to apply selected MiFID II standards to OPS firms
MiFID II: investment research provision to non-MiFID firms	June 2017	Work to extend investment research standard to other types of firms who are not directly within scope of MiFID if they produce investment research
MiFID II: requirements for firms to record telephone conversations or electronic communications related to carrying out transactions to certain additional firms and activities (taping)	June 2017	Amendments to taping requirements, including changes to expand the scope of taping requirements in terms of both firms and activities captured, under MiFID II
MiFID II: best execution requirements to Article 3 retail financial advisers and Undertaking for the Collective Investment of Transferable Securities (UCITS) management companies	June 2017	Work to extend the MiFID II best execution standard to Article 3 financial advisers and UCITS management companies

PS17/20 Transaction cost disclosure in workplace pensions	September 2017	We have introduced rules for firms to disclose transaction costs and administration charges in response to a request for this information from certain pension schemes
The revised Payment Services Directive (PSD2)	October 2017	We have implemented further requirements that were not mandatory in the EU legislation for PSD2
PS18/2: Unbreakable deposits and client money	January 2018	In response to investment firms facing decreasing appetite by UK banks for holding their client money, we have amended rules to allow firms to deposit an appropriate proportion of client money in bank accounts with unbreakable terms of up to 95 days subject to certain conditions
Retirement interest-only mortgages	March 2018	We reclassified retirement interest only mortgages as standard rather than lifetime mortgages
PS18/6: Advising on Pension Transfers: Feedback on CP17/16 and final rules	April 2018	We introduced updated rules and guidance on how advice should be provided to consumers on pension transfers where they are considering giving up safeguarded benefits

Annex 2

List of all impact assessments validated by the RPC

Full title of the measure	BIT Score (£m's) benefits to business	BIT Score (£m's) burden to business
MiFID II: extension of certain MiFID II independence provisions to firms providing personal recommendations to retail clients on non-MiFID business/products so that they are consistent with the provisions applying to MiFID business		0.2
MiFID II: extension of certain MiFID II inducement provisions to firms providing investment advice and portfolio management to retail clients		2.6
MiFID II: amendments to certain disclosure requirements which apply to non-MiFID business so that they are consistent with the provisions applying to MiFID business		0.9
MiFID II: research and inducements provision to collective portfolio managers		19.2
MiFID II: client categorisation		5
MiFID II: provisions to Occupation Pension Scheme (OPS) firms		2.3
MiFID II: investment research provision to non-MiFID firms		0.1
MiFID II: requirements for firms to record telephone conversations or electronic communications related to carrying out transactions to certain additional firms and activities (taping)		21.7
MiFID II: best execution requirements to Article 3 retail financial advisers and UCITS management companies		5.6
PS17/20: Transaction cost disclosure in workplace pensions	27.7	
The revised Payment Services Directive (PSD2)		67.2
PS18/2: Unbreakable deposits and client money	553.6	
Retirement interest-only mortgages	164.9	
TOTAL	746.2	124.8

We published multiple impact assessments for MiFID II as this is the way we broke down the Directive during our rule making process. We consider all of these impact assessments together as part of the MiFID II Directive which has a BIT score greater than de minimis; some of the individual parts as a result do have BIT scores lower than de minimis but are included.

There are two impact assessments which have not yet been validated by the RPC for this reporting period.

Annex 3

List of de minimis NQRPs

This section provides a list of the NQRPs which are not covered by any applicable exclusion but the associated costs or benefits for firms are less than the de minimis threshold of £25 million over a 5 year period.

In each case, the estimated costs are a fraction of the threshold limit. We applied this threshold in a conservative manner: if in any doubt about the scale of the costing we would submit and publish the impact assessment. So for example, for MiFID II, we are publishing impact assessments for each choice we made to extend the scope of MiFID provisions to non-MiFID business. This is to avoid any possibility of being thought to be splitting up our intervention arbitrarily to avoid publication.

Product monitoring and product lifecycle - multi-firm feedback

Proposed changes to regulatory report Fin-A

PS17/18: CASS 7A & the Special Administration Regime Review

PS17/16: Regulatory Reporting: Retirement Income Data

PS17/25: Financial Advice Market Review (FAMR) implementation part II and consultation on retiring FG12/15 and FG14/1

TR18/1: The fair treatment of existing interest-only mortgage customers

OC31: Ageing Population and Financial Services

Changes to the Stabilisation rules contained in the Market Conduct sourcebook

Non-advised pension drawdown sales review: summary of findings

Alert issued to all Principals who have Appointed Representatives or Introducer Appointed Representatives ('ARs') regardless of sector

Access to Financial Services Feedback Letter

Handbook changes to reflect the application of the EU Benchmarks Regulation

DB to DC pension transfer volumes data request

Annex 4

Outstanding QRPs from last reporting period

During the last reporting period there were 20 QRPs which were outstanding as they had not been validated by the RPC at the time of publication. We have listed them below.

They cannot be compared to the QRPs in this report as the reporting requirements and methodology has since been changed by Government.

Full title of the measure	BIT Score (£m's) benefits to business ⁹	BIT Score (£m's) burden to business ¹⁰
Best Execution arrangements in investment managers multi-firm feedback	0	
Change to Supervision Framework		17
Financially Vulnerable consumers/customers	0.5	
Implementation of Enforcement – PS17/1	0	
Improving Complaints Handling. (Changes to the Dispute Resolution sourcebook (DISP))	146	
Minor Changes to our Equity Release rules		18
TR15/10: Fair treatment for consumers who suffer unauthorised transactions	0	
TR15/6: Handling insurance claims for small and medium-sized enterprises (SMEs)	11.5	
TR15/7: Delegated authority: Outsourcing in the general insurance market	0.5	
TR16/10 Early arrears management in unsecured lending	0.5	
TR16/4: Embedding the Mortgage Market review: Responsible Lending Review	0.5	
TR16/8: Packaged bank accounts	7	
UKLA TN 425.1 – Open-ended investment companies and transfer restrictions	0	
UKLA TN 717.1 – Sponsors: Record Keeping Requirements	1	
UKLA TN634.1: Financial information on guarantors in debt prospectuses and requests for omission	0	
UKLA TN713.1 – Sponsors: Application of principle to deal with the FCA in an open and co-operative manner	0	
UKLA TN911.1: Substitution of issuer of debt securities	0	
UKLA/TN/424.1 – Removal from the Official List of listed equity shares of individual funds of Open-Ended Investment Companies (OEICs)	0	
Meeting investors' expectations (TR16/3)	0	
Use of dealing commission – multi-firm feedback	0	

⁹ The BIT Score only reflects benefits to business; it does not reflect benefits or burdens to consumers. When making regulatory decisions the FCA considers both costs and benefits to businesses, consumers and the wider economy.

¹⁰ Ibid.

Annex 5

List of Abbreviations

CBA	Cost Benefit Analysis
EANDCB	Equivalent annual net direct cost to business
FSMA	Financial Services and Market Act 2000
NQRP	Non-Qualifying Regulatory Provision
QRP	Qualifying Regulatory Provision
RP	Regulatory Provision
RPC	Regulatory Policy Committee
the Act	Enterprise Act 2016
BEIS	Department for Business, Energy and Industrial Strategy
MiFID II	The Markets in Financial Instruments Directive II
EU	European Union
RDR	Retail Distribution Review
PSD2	Second Payment Systems Directive
FCA	Financial Conduct Authority
CASS 7A	Client money distribution rules
UK	United Kingdom
EEA	European Economic Area
SM&CR	Senior Managers & Certification Regime
LIBOR	London Interbank Offer Rate
OPS	Occupational pension scheme
UCITS	Undertaking for the Collective Investment of Transferable Securities
FAMR	Financial Advice Market Review
QCP	Quarterly Consultation Paper
SME	Small & Medium Enterprise
UKLA	United Kingdom Listing Authority
TN	Technical Note
TR	Thematic Review
PS	Policy Statement
FG	Finalised Guidance
OEIC	Open-Ended Investment Companies
DC	Defined benefit
DB	Defined contribution
RDC	Regulatory Decisions Committee

Annex 6 Glossary

The Act	The Small Business, Enterprise and Employment Act 2015 as amended by the Enterprise Act 2016.
Cost Benefit Analysis (CBA)	We are required to create and publish a cost benefit analysis on certain initiatives under Financial Services and Markets Act (2000). In addition to the cost to business, they also analyse the public value resulting from the intervention.
FCA Mission	The FCA Mission 2017 was launched on 18 April 2017. It sets out the framework for the strategic decisions we make, the reasoning behind our work and the way we choose the tools to do it.
Impact Assessment	The Act requires us to carry out impact assessments that assess the costs to business.
Non-Qualifying Regulatory Provision (NQRP)	Any change the FCA makes that imposes a requirement, sets standards or gives or amends guidance for business or relates to securing compliance with such standards, guidance etc. that falls under one of the exclusion categories listed in a written ministerial statement by Secretary of State for Business, Energy and Industrial Strategy.
Qualifying Regulatory Provision (QRP)	Any change the FCA makes that imposes/amends a requirement, set/amends standards or gives/ amends guidance for business or relates to securing compliance with such standards, guidance etc. unless they fall under one of the exclusion categories listed in a written ministerial statement by Secretary of State for Business, Energy and Industrial Strategy.
Regulatory Policy Committee (RPC)	An independent, advisory, non-departmental public body who rate the quality of evidence and analysis supporting new regulatory and deregulatory proposals, and check the estimates for the equivalent annual net cost to business of new regulations.
Regulatory Provision (RP)	Any change the FCA makes that imposes a requirement, set standards or gives or amends guidance for business or relates to securing compliance with such standards, guidance etc.



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