

Joint Regulatory Oversight Committee - Terms of reference

Role, remit and composition

In a [joint statement](#) published on 25 March 2022, the Competition and Markets Authority (CMA), Financial Conduct Authority (FCA), Payment Systems Regulator (PSR) and HM Treasury announced the creation of a Joint Regulatory Oversight Committee (the Committee). The Committee's role is to oversee the planning and preparation for the future Open Banking entity (future entity)¹, oversee the transition to the future entity, and to consider the vision and strategic roadmap for further developing Open Banking. The Committee, led jointly by the FCA and the PSR, will also be responsible for overseeing and, where applicable, monitoring the future entity, once set up, until a permanent regulatory framework is in place.

There is strong potential to build on the success of Open Banking to date and to realise further benefits for consumers and businesses. In particular, we see opportunities in unlocking the potential of Open Banking payments, enabling end users to share data and manage access, and developing further data sharing propositions, including for greater consumer protection and to ensure Open Banking is interoperable with any possible future Open Finance initiatives.

The Committee is co-chaired by the Executive Director, Consumers and Competition, of the FCA, Sheldon Mills, and PSR's Managing Director, Chris Hemsley. Full membership of the Committee will be limited to representatives from the CMA, the FCA, the PSR and HM Treasury. Other UK authorities and industry or end user representatives may be involved in the Committee's work and will be invited to meetings where appropriate.

The Committee will endeavour to engage widely with industry and other key stakeholders to inform proposals on the early priorities, critical roles, governance, functions and strategic roadmap of the future entity. The Committee will, where appropriate, call upon industry, end users, their representatives, and other relevant experts to provide recommendations. It intends to deliver the outputs set out in the indicative timeline in the Annex.

The FCA and the PSR will jointly provide the secretariat for the Committee.

The Committee shall meet at least four times a year until a permanent regulatory framework is in place and otherwise as the chairs of the Committee shall require. We anticipate that, in the run-up to the establishment of the future entity, more frequent meetings may be needed. The Committee shall publish summary minutes of each meeting, including agreed actions and next steps.

Regular working level meetings with the CMA, the FCA, the PSR and HM Treasury will supplement Committee meetings as required.

Key objectives of the Committee

The overarching goal of the Committee is to support the continued growth of Open Banking for the benefit of consumers and businesses. Developing Open Banking in this way, beyond the confines of the CMA roadmap, is vital if it is to realise its full potential.

The Committee will realise this ambition by facilitating and overseeing the transition from the Open Banking Implementation Entity (OBIE) to a future entity and by providing interim oversight and guidance to the future entity,

¹ The future entity may be a new entity or the current entity, repurposed and redesigned under the new framework

including but not limited to the entity's strategic direction, governance structure and funding arrangements. It will also provide input as appropriate on the permanent future framework for Open Banking. The Committee is determined that the benefits of Open Banking to improve outcomes for consumers and businesses are fully realised.

Responsibilities

The following responsibilities are within the scope of the Committee:

Governance and funding of the future entity

- Reach a common authorities' view and communicate to industry, on the future entity's membership structure and the framework(s) and mechanism(s) necessary to embed robust governance. This will include the future entity's Board composition and organisation, taking into account the findings of the independent report by Alison White.
- Reach a common authorities' view on a sustainable and proportionate funding model and communicate it to the future entity. That funding model will be in addition to the continued funding from the CMA9 in relation to their obligations under the [CMA Order](#).
- Consider the Committee's role in the recruitment and the appointment of the future entity's first chair and any subsequent chair appointments where appropriate until the permanent future regulatory framework is in place.

Transition to the future entity

- Advise the CMA on the transition from the OBIE to the future entity. The CMA remains solely responsible for determining the completion of the work against the CMA roadmap and the continuing requirements under the CMA Order, including determining whether those continuing requirements are fulfilled by the future entity or another body.

Interim oversight of the future entity

- Oversee the future entity once established until the formal regulatory framework is in place and operational.
- Oversee and provide input on the future entity's development and implementation of its strategic direction, policies, strategies, and business plans.
- Consider effective mechanisms for the Board of the future entity to provide regular and transparent reporting to the Committee.

Vision, strategic roadmap and priorities for Open Banking

- Agree a common authorities' vision and strategic roadmap for further developing Open Banking beyond the scope of the CMA Order and communicate with industry in relation to this. This will include (as appropriate) considering opportunities for unlocking the potential of Open Banking payments, enabling end users to share data, managing access and developing further data sharing propositions.
- Agree a common authorities' view and communicate to industry, on a roadmap, priorities and strategic objectives of the future entity, working with industry and other stakeholders.

- Where appropriate, encourage the future entity to respond and adapt to new developments as Open Banking evolves, including concerning Smart Data initiatives and inter-operability with any possible future Open Finance initiatives.
- Facilitate engagement with industry and other key stakeholders by convening a strategic working group (SWG). The chair of the SWG will be independent and appointed by the Committee’s co-chairs This working group does not have decision-making powers and will collate views from stakeholders to bring to the Committee for consideration. It will be constituted of representatives of the industry, subject matter experts and other stakeholders, such as end users. The working group may decide to use existing, or set up new, expert industry groups to discuss specific issues.
- Work closely with the CMA, as well as industry and other key stakeholders (as appropriate) on how any continuing obligations under the CMA Order may be maintained.

Annex – Provisional timeline

May 2022	First meeting of the Joint Regulatory Oversight Committee
July 2022	The Committee sets out more detail on the SWG and first SWG meeting takes place
Q3 / Q4 2022	The Committee considers feedback from the SWG on the strategic priorities, expected deliverables of the future entity and other areas the Committee may have asked input on
Q4 2022	The Committee draws up proposals for the design of the future entity
Q4 2022	The Committee establishes recommendations for priorities and a strategic direction for the future entity after engaging with relevant stakeholders
Q4 2022 / Q1 2023	The transition from OBIE to the future entity takes place following the CMA’s approval of Roadmap completion and transition arrangements
2022 onwards	The Committee will provide input as appropriate to the Government on a long-term regulatory framework