Andrew Bailey explains the FCA's priorities for 2018/19
Andrew Bailey: The Business Plan for the coming year has to strike a balance between the work that we fully expect we will be doing on Brexit. We've obviously already started the work on Brexit. And our other strategic priorities.

This year, more than ever, we've had to strike a pretty careful balance because we know that Brexit is going to be, in many ways, the biggest thing that we're going to be involved in. But there are still quite a lot of uncertainties about timing and in some cases also substance. Although I think that's narrowing down now So, we've had to construct a Business Plan that strikes a careful balance. And also we recognise that we will have to be more flexible during the year.

FCA's work around European Union (EU) withdrawal
AB: There's a very important piece of work which we're well advanced on now which is the work that's necessary to put all the withdrawal legislation into place and particularly to make our rulebook fit and operational on the first day of Brexit. That's a very big piece of work which we're obviously doing with the Government and will continue to take forward.

Secondly, a very large amount of work to ensure that what I tend to call the so-called 'cliff edge' risks that could materialise in a transition, that we're well planned with and well advanced with actions that will mitigate those. That requires a lot of co-ordination with regulators in the European Union.

Key pieces of work for the FCA in 2018/19
AB: We still have a very large business as usual, as well as Brexit, agenda. Some of the things that I would highlight in that are the work that we already have well under way on high-cost credit, bringing that to fruition. That's a number of pieces of work. It's not one piece of work because there are a number of sectors of the high-cost credit market.

Very important work on pensions. Again, some big pieces of work that we've got well under way and will be bringing to fruition. And those surround the whole question of pension advice and our role in the defined contribution pension area.

FCA's continued work on culture in financial services
AB: Culture is very important to us. It's one of the absolutely fundamental building blocks of conduct supervision in my view and we will be taking that forward.

A big piece of work over the next year will be in a sense bringing again, I hope, to implementation the extension of the Senior Managers Regime from banks to the rest of our population.

And of course with 50,000-odd firms the vast majority of them are not banks. So, when I say extending to the rest of our population this is obviously a big piece of work.

The Senior Managers Regime really embeds responsibility, accountability. It embeds the principles that we think are fundamental in terms of what we as a regulator can do in the area of culture. That will support the work that we do on governance as supervisors, the work we do on remuneration.

FCA utilising innovation and technological developments
AB: Over the next year we'll be continuing the work on Innovate and Sandbox. I think one of the most exciting announcements there has been recently where we're seeking to extend the Sandbox to a more global concept.

We've already got a number of agreements with other authorities in other countries. The opportunity to extend that and give people the opportunity to test and develop innovations and ideas in more than one market is, I think, exciting.

Secondly, a big area of work for us is cyber on the risk-front. This is important because this is the risk that never stands still. It's constantly evolving, constantly developing and we have to not only be on top of those developments but also obviously ensure the protections that are needed to meet our statutory objectives.

The understanding of firms and the protections that firms have in place are constantly up to speed as the threat evolves. So, that's a constant priority for us and will be.

Then thirdly, I'd single out that there are areas of innovation which, again, involve technology where we're actively involved in the assessment. If I pick out one, I would say cryptoassets would be the case in point.

The Chancellor announced recently that there's going be a taskforce of the Treasury, the FCA and the Bank of England to look at this. And I think that's appropriate because that will have to ask important questions about what is the right boundary for our regulatory perimeter and our regulatory activity.

**Maintaining and extending international co-operation**

AB: International co-operation is very important for us. It always has been. I think as we look forward to a world post-Brexit it's even more important and we've emphasised this since the referendum.

It's very important that we don't become isolationist, isolated. It's not our intention.

So engaging in, as we do, in the Financial Stability Board, in IOSCO, in their work, global work is important because many of our core objectives and particularly those in wholesale markets are essentially global objectives because these are global markets.