

Minutes

Meeting: FCA Board

Date of Meeting: 18 December 2025

Start time: 10:15

Venue: Meeting held in Boardroom and via Microsoft Teams

Members Present: Ashley Alder (Chair)
John Ball
Julia Black
Bernadette Conroy
Sophie Hutcherson
Anita Kimber
Richard Lloyd
Stéphane Malrait
Nikhil Rathi
Aidene Walsh
Sam Woods (Items 1-5.1)
Bryan Zhang

In attendance: Set out in Annex A

Presenters: Set out in Annex A

Apologies: None

1 Standing Items/ General Business

Declarations of Interest

1.1 The meeting noted there was a quorum present and proceeded to business.

- 1.2 No interests were declared in the items to be discussed.

Minutes of previous meeting

The Board approved the minutes of the meeting held on 27 November 2025.

Action Log

- 1.3 The Board noted the action log and approved the closure of completed actions.

2 Reports

Reports from Chairs of Board Committees

Audit Committee

- 2.1 The Board noted the verbal update from the Chair of the Audit Committee regarding the meeting held on 11 December 2025. The Committee had focused on:
- i. Findings of the Audit Effectiveness Review, highlighting both areas of progress and those requiring further improvement, along with the planned actions to address these.
 - ii. Review of Regulatory Failure Assessments, which will be presented to the Board early next year.
 - iii. An update on the FCA's control environment across all three lines of defence.
 - iv. An update on the PSR's risk and control environment.

Risk Committee

- 2.2 The Board noted the update from the Chair of the Risk Committee regarding the meeting held on 4 December 2025. The Committee had focused on:

- i. A review of the FCA's cloud concentration risks, and agreement for a report to return to committee in 2026 on systemic cloud risks within the Financial Services sector.
- ii. An update on FCA data risk management.
- iii. An update on the PSR risk profile and risk management forward plan.

Oversight Committee

- 2.3 The Board noted the update from the Chair of the Oversight Committee on the meeting held on 4 December 2025, which had focused on the PSR Business Planning for 2026/27 financial year, in advance of final approval in February 2026.

People Committee

- 2.4 The Board noted the update from the Chair of the People Committee regarding the meeting held on 20 November 2025. The Committee had focused on:
- i. Initial results from the 2025 FCA & PSR Employee Engagement Survey.
 - ii. Review of the remuneration of Other Bodies.

CEO of the PRA

- 2.5 The CEO of the PRA briefed the Board on the business of the PRA that was of relevance to the FCA, including the publication of Financial Stability in Focus: The Financial Policy Committee (FPC) assessment of bank capital requirements.

CEO

- 2.6 The CEO of the FCA briefed the Board on several topical issues, including:
- i. A summary of work undertaken during the year and the letter sent to the Prime Minister and Chancellor outlining the FCA's approach to supporting growth.

- ii. An update on Firm Checker, noting that on 19 January 2026 the FCA will launch a six-week communication campaign to promote the tool, encouraging consumers to verify firms before investing.
- iii. Confirmation that the consultation on the Motor Finance Consumer Redress Scheme has closed and responses are now under review.
- iv. Articulation of the FCA's role as set out in correspondence with parliamentarians in relation to various allegations relating to the Treasury and Office for Budget Responsibility (OBR) and handling of Budget information.
- v. Key publications and engagements scheduled for January 2026.

Quarterly Performance Report:

- vi. The Board reviewed the updates on Strategy and Business Planning, current budget expenditure, the use of technology, and metrics and performance measures relating to regulatory, operational, and change portfolio activities. The Board noted the Q3 performance report would cover strategy delivery and outcomes.

FCA Chair

- 2.7 The Board noted the update from the Chair on activity since the previous Board meeting, including:
- i. Wide ranging discussions at the recent Treasury Select Committee Meeting. Questions covered several topics under the economic growth theme, as well as the FCA's motor finance redress consultation.

UKRN Next Generation NED Observer Scheme feedback from 2025

- 2.8 The current participant in the UKRN (UK Regulators Network) Next Generation NED scheme, shared her reflections as the programme concluded for 2025. The Board expressed its thanks to Sophie Hutcherson for her contribution as mentor during the year and noted that a new participant would join the FCA on the scheme for 2026.

Independent Panels Monthly Report

- 2.9 The Board noted the reports from the Financial Services Consumer Panel (FSCP) and Financial Services Smaller Business Practitioner Panel (SBPP).

3 Strategic Discussions

Philosophy of capital market reforms

- 3.1 The Board considered a paper on the FCA's wholesale capital market reforms, which outlined the work programme and themes running across the multi-year programme of policy work on wholesale market rules to support market integrity, economic growth and the UK's leading position as a financial centre.
- 3.2 The Board discussed the strategic direction of the work programme, focusing on the following aims:
- i. Rebalancing risk and improving transparency to make UK markets more attractive, giving participants greater flexibility to make informed, risk-based decisions supported by robust disclosures. This would also help prioritise key reforms and ensure they work effectively in practice.
 - ii. Encouraging innovation and new entrants by collaborating with industry to develop regulation to support the adoption of new technologies and foster the right conditions for growth for emerging firms.
 - iii. Simplifying and clarifying FCA rules and regulatory approach where possible, to promote efficient market functioning and to ensure the compliance burden on wholesale firms is proportionate.
- 3.3 The Board supported the proposed strategic approach and noted that further updates would be provided to Board as the work progresses.

4 Business Planning 2026/27

- 4.1 The Board reviewed a paper outlining progress on Business Planning for the 2026/27 financial year. The paper summarised key elements of emerging divisional plans, highlighted cross-organisational challenges, and detailed actions and initial decisions taken by the Executive Team.
- i. The Board discussed the main organisational challenges, considering guidance provided from the Executive Team.
 - ii. The Board outlined areas where additional information is needed ahead of the next Business Planning update.

- iii. The Board confirmed they were comfortable with the progress and approach so far.

5 Rules, Guidance and Technical Standards to be published

Policy Statement on Ancillary Activities Test

- 5.1 The Board considered the paper outlining the proposed Policy Statement for the Ancillary Activities Test and the associated final rules. These reflected the proposal to exclude positions in exchange-traded derivatives from one of the calculations, as supported by consultation feedback.
 - i. The **Board agreed** to the publication of the Policy Statement.
 - ii. The **Board resolved** to make the **Commodity Derivatives (Ancillary Activity Exemption) Instrument 2025** - To reduce complexity and cost for non-financial firms by allowing them to meet just one of the three tests to qualify for the exemption, while preserving its current scope.

Rules, Guidance and Technical Standards

- 5.2 The **Board resolved** to make the following instruments:
 - i. **Technical Standards (Strong Customer Authentication and Common and Secure Methods of Communication) (Amendment) Instrument 2025** - To remove the regulatory contactless limit and implement a new risk-based exemption to give greater flexibility to banks and other payment service providers (PSPs) to determine their approach to contactless payments.
 - ii. **Decision Procedure and Penalties (DEPP) Manual (Amendment) Instrument 2025** - To ensure that the guidance in DEPP is appropriately updated to clarify that it applies to financial penalties and public censures imposed under section 312E and 312F of FSMA, as applied by the PISCES Regulations. This will give firms certainty as to FCA processes and procedures, including the scope and applicability of FCA powers.
 - iii. **Sustainability Labelling and Disclosure of Sustainability-Related Financial Information (Amendment) (No 2) Instrument 2025** - To give proper effect to the rule by clarifying how the labelling criteria can apply to fund managers in respect of index-tracking funds. The product-

level reporting amendments aim to reduce administrative burdens and enable firms to give clients and consumers sustainability information at the same time as other product-level information.

- iv. **Data Decommissioning No 3 Instrument 2025** - To reduce the frequency of reporting requirements and data collections, thereby easing the compliance burden on firms.

6 Other Decisions of the Board

Appointment of an Employer Appointed Director to the FCA Pension Plan

- 6.1 FCA Board approved the following appointments:
- i. The **appointment of Jon Relleen** as an Employer Appointed Trustee Director to the FCA Pension Plan.
 - ii. The **reappointment of Law Debenture** (represented by Samantha Pitt) as an Employer Appointed Chair with effect from 1 February 2026.
 - iii. The **Board approved** the Law Debenture fees for 2026.

Appointments to Board Committees

- 6.1 The **Board approved** the appointment of Anita Kimber as Chair of the Oversight Committee, with effect from 01 January 2026.

7 AOB

- 7.1 The Board expressed their sincere thanks to Aidene Walsh for her dedication and valuable contributions throughout her term, noting this marked her last meeting of the FCA Board.

There being no further business the meeting closed.

Annex A: Attendees, presenters and observers

In attendance:

Sarah Pritchard – Deputy Chief Executive (Items 1 – 5.2i)
 Sheree Howard – Executive Director, Authorisations
 Stephen Braviner Roman – Executive Director, General Counsel and Chief Risk Officer
 Therese Chambers – Executive Director, Enforcement and Market Oversight
 Steve Smart - Executive Director, Enforcement and Market Oversight (Items 1-2.9)-
 Simon Walls – Interim Executive Director – Markets
 David Geale – Executive Director, Payments and Digital Finance (Items 5-7)
 Toby Hall – Director, Company Secretary
 Martha Stokes– Head of Department, CEO private office
 Sophie Shaw – Observer, Next Generation NED

Presenters and observers:

Item 1 - Standing Items/ General Business	No attendees
Item 2 – Reports	No attendees
Item 3 - Strategic Discussions	Jon Relleen - Director, SPC Markets Jamie Bell - Head of Department, Infrastructure & Exchanges Jamie Whitehorn - Head of Department, Infrastructure & Exchanges Anne Wrobel - Head of Department, Sell-Side David Stallibrass - Head of Department, Economics Kate Collyer - Director, Communications Helen Bower-Easton – Director, Communications
Item 4 - Business Planning 26/27	Craig Chapman – Director, Operations – Finance

	Adrian Dotteridge – Head of Department, Finance and Corporate Services
<p>Item 5 - Rules, Guidance and Technical Standards to be published</p> <p>05.1 Policy Statement on Ancillary Activities Test</p> <p>05.2 Rules, Guidance and Technical Standards Board paper</p>	<p>No presenters</p> <p>Matthew Long – Director</p>
<p>Item 6 – Decisions of the Board</p> <p>06.1 Appointment of an Employer Appointed Director to the FCA Pension Plan</p> <p>06.2 Appointments to Board Committees</p>	<p>No presenters</p> <p>No presenters</p>

Other relevant managers and associates were also in attendance.