

Financial Services Regulatory Initiatives Forum

Minutes: October 2021

Meeting:	Financial Services Regulatory Initiatives Forum (FS-RIF)	
Date of Meeting:	08 October 2021	
Start time:	14.00	
Venue:	Microsoft Teams conference call	
Present:	Sam Woods, BoE and PRA	Chair
	Nikhil Rathi, FCA	Forum Co-Chair
	Chris Hemsley, PSR	Member
	Charles Counsell, TPR	Member
	James Dipple-Johnstone, ICO	Member
	Victoria Saporta, BoE and PRA	PRA executive sponsor
	Sheldon Mills, FCA	FCA executive sponsor
	Rohan Lee, HMT	Observer Member
In attendance:	Set out in Annex A	
Apologies:	Andrea Coscelli, CMA	
	Sir Jon Cunliffe, BoE	
	Dave Ramsden, BoE	

1 Standing items

- 1.1 The meeting noted that a quorum was present and proceeded to business. Sam Woods, representing the Bank of England and Prudential Regulation Authority, took the chair.
- 1.2 No declarations of interest were made in connection with any items of business on the agenda.

2 Minutes of the previous meeting

- 2.1 The Forum noted that the minutes of the last meeting of the Forum, which took place on 22 April 2021, had been approved and published alongside the last edition of the Grid.

3 Discussion of the preliminary October Grid

- 3.1 The Forum discussed the Terms of Reference and updates to provide appropriate flexibility in the attendance required to satisfy meeting quorum. The proposed terms were agreed, and the planning team were delegated to reflect further changes to the Terms of Reference.
- 3.2 The Forum reviewed the draft edition of the Grid and were overall satisfied with the current regulatory pipeline. The Forum agreed that the Grid's narrative should reflect that the small increase in the number of initiatives is largely in response to Government strategic reviews and emerging thematic issues in financial services (e.g. environmental, social and governance (ESG) initiatives). The narrative should also highlight that these changes aim to support industry by reforming regulatory frameworks, where appropriate, to tailor them to the UK context.
- 3.3 The Forum noted that a number of initiatives had previously been halted or delayed due to the disruptions caused by the Covid-19 pandemic, and some of those projects were only now restarting. This also impacts on the regulatory pipeline as some initiatives have stayed on the Grid for longer but with little or no operational impact on firms while paused.
- 3.4 The Forum agreed that it was important to continue to monitor the total number of initiatives, but that this was not a direct proxy for measuring the burden being placed on the industry. For example, some regulatory initiatives have been undertaken to relieve overall burden and some larger initiatives in the Grid have been disaggregated into multiple entries to help stakeholders understand which next steps are most relevant to them. This should be highlighted in the Grid's narrative.
- 3.5 The Forum discussed the need to develop different ways of measuring the operational burden being placed on firms, building on its assessment of the timing of key milestones, the expected impact of initiatives and analysis of new entries to the Grid. It was noted that some initiatives have long life-cycles, with different stages placing different levels of burden. In order to better inform members' and industry planning, it was felt that the Grid needed some way to express the evolution of initiatives, and their burden, better. It was noted that the Forum should be focusing on the burden of initiatives on firms' operations and IT systems, as well as the industry coverage of any initiative.
- 3.6 The Forum discussed the use of the Grid by members earlier on in the development of policies and further embedding the Grid into regulators' business planning processes. Richer metrics about the use of the Grid as a predictor of initiatives and changes in the Grid's content could support this.
- 3.7 The Forum delegated authority to the Co-chairs, Sam Woods and Nikhil Rathi, to approve the Grid subject to recommendations by the Forum.

Decision:

The Forum agreed that the requirement for a representative of HMT to be present at every meeting, under paragraph C.4, be amended to make its attendance optional.

The Forum agreed that paragraph D.9 be amended to allow for 5 members (a majority) in satisfaction of the requirement for quorum.

The Forum agreed that the Terms of Reference should reflect that the Chief Executive of the Prudential Regulatory Authority be permitted to represent the Bank of England as well.

The Forum delegated authority to the Co-chairs, Sam Woods and Nikhil Rathi, to approve the Grid prior to publication and subject to the recommendations made by members.

Action:**Owner****Timing:**

Update the Grid and Terms of Reference to reflect the proposed changes prior to publication.

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Sign-off the final Grid.

Sam Woods
Nikhil Rathi

October 2021

4 Discussion of the metrics proposal

- 4.1 The Forum discussed the proposal to develop longer-term metrics for future Grids to illustrate and measure the impact of the Forum and Grid on supporting regulatory coordination and managing burden on the financial services industry.
- 4.2 It was agreed that it was important for members to work together to develop metrics to help to explain and provide context to stakeholders on the impact of the various stages of an initiative's life-cycle on the operational burden of firms.
- 4.3 The Forum discussed the potential categorisations of drivers and nature of initiatives, which could be used to help analyse trends between Grid editions. Members are keen to strike a balance between highlighting the common topics intersecting the regulatory family and the topical categories more unique to individual members.

Decision:

The Forum agreed that the Working Group should continue to develop the proposed impact measures and that these should be discussed at the next Forum meeting.

Action:**Owner****Timing:**

Working Group to develop impact measures and share these in advance of the next Forum meeting.

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5 Any Other Business

- 5.1 No further business was discussed.

The meeting closed at 14:42

Annex A

Steven Preece – CMA (attending for CMA)

Rachel Atkinson – FRC (attending for FRC)

Relevant staff from member organisations were also in attendance