

Clare Woodman
Chair, MPP

12 Endeavour Square
London
E20 1JN

Call: +44 (0)20 7066 1000
Fax: +44 (0)20 7066 1099
www.fca.org.uk

By email: clare.woodman@morganstanley.com

24 April 2026

Dear Clare,

FCA ENGAGEMENT WITH THE MARKETS PRACTITIONER PANEL 2026-27

You will recall that we wrote to you this time last year to set out areas the FCA expected to prioritise when engaging with the Markets Practitioner Panel during 2025-26. We are extremely grateful for the Panel's invaluable insights over the past year as we set our five-year strategy in motion, enabling us to deliver the vast majority of our commitments to the Prime Minister and indeed go further to support growth.

We have now published our annual work programme for 2026-27 on 26 March, and commenced issuing Regulatory Priorities reports, our sector-based supervisory market reports replacing portfolio letters. While these represent the next phase of implementing our strategy, the rapidly changing and increasingly volatile nature of the external environment in which we operate means we expect to continue to face new and growing challenges. Nevertheless, we are redoubling our efforts to ensure that we achieve our objectives within broadly stable resource levels.

With this in mind, we have reviewed how we might get the most value from our Panels during 2026-27 and are writing to the Chairs again¹.

¹ We consult our CBA Panel in a different way, as set out in our Statement of Policy on Cost Benefit Analyses.

Priorities for 2026-27

We will continue to engage with you on the priorities you listed in [your letter](#) to us dated 27 May 2025 to support our strategic priorities – reforms to promote the UK's capital formation, striking the right balance with regards to risk, and using the Panel as a sounding board on potential reforms, including our work to clarify the scope and application of the Consumer Duty. We welcome the discussions we have had with you to date on these issues as we have started to deliver on them and are also grateful for your role in promoting our changes to support UK markets. We would welcome your further input as our work progresses as well as additional suggestions for areas where the FCA could focus to enhance UK capital markets.

Alongside, we would also wish to continue to prioritise the following areas for our engagement with you over the coming year, subject to unexpected events:

- Provide views on the balance between growth, market integrity and investor protection. We welcome your continued support in articulating these choice sets and building consensus on risk appetite, including your insights into wider stakeholder views to help us keep our focus at a strategic level.
- With the evolution of digital markets, we would like your support in deciding where we should lead, and where there are real long-term benefits. We would particularly welcome engagement on global developments in relation to stablecoins and digital assets, and feedback on how the UK framework should develop.
- Alert the FCA to emerging risks and issues in markets, particularly at this time of continued volatility and a highly fluid global geopolitical, economic and trade backdrop.
- Continue to provide guidance on the benefits and drawbacks of alignment or divergence from regulation in other jurisdictions.
- Continue to support the FCA in our efforts to improve market functioning and market infrastructure. We welcome input in evaluating the impact of the large range of wholesale market reforms in recent years, including by observation of liquidity, depth of markets, transparency, cleanliness and orderliness of markets.
- Help us become a more efficient and effective regulator, making well-informed decisions to deliver the biggest impact with our resources.

In all of this we fully recognise that the Panel has an independent voice and will have its own priorities, even if there is overlap between the two lists. Where there is capacity to do so, we would also value your input on other relevant issues.

Engaging with the FCA

We would be grateful for the Panel's continued input as a "critical friend", providing advice and constructive challenge on current and future reform – whether through regulatory reform or policy development or changes to the ways in which the FCA operates.

We will continue to engage at a strategic level as well as occasional deep dives on specific issues. On more sector-specific proposals we would welcome your input from a sub-group of members with more directly relevant expertise, including, where appropriate, from across different Panels. On matters of significant reform, we would welcome your views on how we can best engage with external stakeholders.

We will endeavour to engage with you from an early stage in our work where possible, to help inform our thinking before we consult more widely. The Panel Secretariat, together with Simon Walls as Panel sponsor director supported by Jon Relleen and Dominic Holland, will work with the Panel and with relevant FCA teams to plan agendas and deliver our engagement, as part of the wider support it provides.

The role of ExCo and the Board

We expect that the Panel will continue to have access to and engage regularly with the FCA Chair, Board, Chief Executive and senior executives of the FCA, in line with the terms of reference agreed by the Board. A member of ExCo will endeavour to attend each of your formal meetings.

We ask that you continue to submit a regular "Report to the Board" (which will also be considered by ExCo), which we find helpful and should focus on the two or three most important strategic themes that you wish to bring to the Board's attention. The Board and ExCo will also welcome sight of your annual report ahead of publication.

We will continue to have periodic Board lunches with the Panel Chairs. We will ensure there is at least an annual meeting between the FCA Chair and each of the Panel Chairs, one-to-one, to discuss the work of the Panel, to reflect on the previous year's interaction.

Concluding remarks

We look forward to continuing the constructive dialogue and close working relationships that we have built up with the Panel over previous years. We have been pleased to see our dialogue strengthen further over the last year. We continue to value the advice and challenge from all our Statutory Panels,

which help us deliver our objectives more effectively and efficiently.

Yours sincerely

Ashley Alder

FCA Chair

Nikhil Rathi

FCA Chief Executive