

FCA SMALLER BUSINESS PRACTITIONER PANEL TERMS OF REFERENCE

(Approved by the FCA Board 12 December 2013)

1. The Financial Conduct Authority Practitioner Panel ('the Panel') is established by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000 to represent the interests of eligible practitioners.
2. 'Eligible practitioners' means authorised persons of a description specified in a statement maintained by the FCA. The FCA may revise the statement, and must give the Treasury a copy of the statement or revised statement without delay and publish the statement as currently in force in such manner as it thinks fit. The statement has been published by the FCA on its website. The version adopted from April 2013 is:

'Eligible practitioners for the Smaller Business Practitioner Panel are practitioners representing firms of small or medium size within their sector – whether by market capitalisation, funds under management, size of balance sheet and employees etc. The Panel will aim to have representation from firms across the range of regulated activities as regulated by the FCA.'

Scope

3. The Panel represents the interests of eligible practitioners and provides advice to the FCA on the extent to which the FCA's general policies and practices are consistent with its general duties, as required under the Financial Services and Markets Act 2000.
4. In considering the FCA's work in the light of the FCA's general duties, the Panel will focus on the FCA's strategic and operational objectives, together with the expectations on the FCA to discharge its general functions in a way which promotes competition in the interests of consumers and to have regard to the regulatory principles as attached in Appendix 1.
5. The Panel is independent of the FCA. It does not carry out responsibilities on behalf of the FCA, and does not seek to duplicate the work of trade associations.

The Panel's Duties

6. The Panel will:
 - 6.1 Meet regularly (normally monthly except for August) and be available to be consulted by the FCA on specific issues.
 - 6.2 Be active in bringing to the attention of the FCA issues which smaller business practitioners feel are likely to be of major significance or controversy that relate to the FCA's policies and practices.
 - 6.3 Commission such research as it considers necessary in order to help it to fulfil its duties under these terms of reference.
 - 6.4 Request access to all information from the FCA which it reasonably requires to carry out its work. This will generally not include confidential information about specific regulated firms, individuals or markets.

- 6.5 Have access to and engage regularly with the FCA Chairman, Board, Chief Executive and senior executives of the FCA.
- 6.6 Maintain the confidentiality of information provided to the Panel by the FCA.

Membership

7. The FCA Board appoints Panel members, with HM Treasury's approval required for the appointment or dismissal of the Chair.
8. The FCA is required to appoint to the Panel such persons who are eligible practitioners or persons representing eligible practitioners as it considers appropriate. It may also appoint such other persons as it considers appropriate. In making the appointments, the FCA must have regard to the desirability of ensuring the representation of eligible practitioners carrying on a range of regulated activities.
9. Members are not appointed as representatives of any individual firm, but are expected to contribute to the Panel from the perspective of the sector in which they are working. Members will be appointed for a three year term, and will normally serve a maximum of two three-year terms. Membership should provide the Panel with senior level input covering smaller businesses from the major sectors regulated by the FCA.
10. The Chair of the FCA Smaller Business Panel will also be appointed as an ex officio member of the FCA Practitioner Panel, to facilitate appropriate liaison between the FCA Practitioner Panel and FCA Smaller Business Practitioner Panel.
11. A member of the FCA Smaller Business Practitioner Panel may be nominated to sit on the FCA Markets Practitioner Panel, to facilitate appropriate liaison between the FCA Markets Practitioner Panel and FCA Smaller Business Practitioner Panel.

FCA Duties

12. Under the Financial Services and Markets Act 2000, the FCA must consider representations made to it by the Smaller Business Practitioner Panel, and must from time to time publish in such a manner as it thinks fit, responses to the representations.
13. The FCA provides secretariat support to the Panel to enable it to operate effectively.
14. The FCA will provide the Panel with early access to appropriate information in order for the Panel to fulfil its duties.
15. The Panel is allocated an annual budget from the FCA to fund specific projects which the Panel considers necessary in order for it to fulfil its duties under these terms of reference. The Panel can request approval from the FCA Board for additional funding if required.

Accountability

16. The Panel will publish an annual report on its work, which will be presented to the FCA Board.
17. In addition, members of the Panel will, when appropriate opportunities arise, report informally on its work to practitioners and trade bodies.

APPENDIX 1

The Financial Services and Markets Act 2000 provides that the FCA and PRA must have regard to the following regulatory principles:

- a) the need to use the resources of each regulator in the most efficient and economic way;
- b) the principle that a burden or restriction which is imposed on a person, or on the carrying on of an activity, should be proportionate to the benefits, considered in general terms, which are expected to result from the imposition of that burden or restriction;
- c) the desirability of sustainable growth in the economy of the United Kingdom in the medium or long term;
- d) the general principle that consumers should take responsibility for their decisions;
- e) the responsibilities of the senior management of persons subject to requirements imposed by or under this Act, including those affecting consumers, in relation to compliance with those requirements;
- f) the desirability where appropriate of each regulator exercising its functions in a way that recognises differences in the nature of, and objectives of, businesses carried on by different persons subject to requirements imposed by or under this Act;
- g) the desirability in appropriate cases of each regulator publishing information relating to persons on whom requirements are imposed by or under this Act, or requiring such persons to publish information, as a means of contributing to the advancement by each regulator of its objectives;
- h) the principle that the regulators should exercise their functions as transparently as possible.