

Minutes

Meeting: FCA Board

Date of Meeting: 26 November 2020 at 11:20 am

Venue: Meeting held via Microsoft Teams

Present: Charles Randell (Chair) Nikhil Rathi
Sam Woods Tommaso Valletti
Liam Coleman
Bernadette Conroy
Richard Lloyd
Jeannette Lichner

Apologies: Alice Maynard

In attendance: Set out in Annex A

1 Quorum and declarations of interest

- 1.1 The meeting **noted** there was a quorum present and proceeded to business.
- 1.2 Jeannette Lichner noted that she had previously disclosed that she was a director of Miller Insurance Services and now wished to inform the meeting that Miller had recently been acquired by Cinven and GIC. The Board was satisfied that this did not present a conflict of interest in respect of the business of the meeting.

2 Update on the independent reviews

- 2.1 The Chair briefly updated the Board with the current status of each of the reviews.
 - 2.2 The Board was briefed on the background to the Connaught Review, which focused on events in the period between 1 February 2007 and 10 March 2015. The Board noted that the findings, which were consistent with those of an earlier lessons-learned exercise conducted by the Risk and Compliance Oversight Division, echoed some of those identified in the LCF report.
 - 2.3 The Board was informed that HM Treasury had seen the recommendations of the LCF report and would receive a copy of the full report on 27 November.
 - 2.4 The Board was briefed on the internal communications planned both for staff related to the LCF report and more generally for staff not directly affected. The Board was also briefed on the plans to communicate with key external stakeholders.
 - 2.5 The Board noted that the consultation proposing amendments to the Complaints Scheme had closed in October and that the responses to the consultation were still being reviewed.
-

- 2.6 The Board recognised that the FCA's response to the LCF report should demonstrate clear governance of the actions being taken by the FCA to address the issues identified. The Chair and Chief Executive agreed to consider proposals for this.

3 Report from the Chief Executive

- 3.1 Mr Rathi briefed the Board on a number of topical issues, including:
- i. The FCA's preparedness for the end of the EU withdrawal transition period and the publication of the FCA's approach to the share trading obligation (STO).
 - ii. Conclusion of the Supreme Court appeal hearing and estimated timing of the accompanying judgement.
 - iii. The FCA's work in preparation for the transition from LIBOR, including the joint announcement with the ICE Benchmark Administration of the intention to consult on euro, sterling, Swiss franc and yen LIBOR panels ceasing at the end of 2021.
 - iv. The monitoring of and engagement with staff on staff wellbeing.
 - v. Licence and contract management and ensuring that robust processes are in place to ensure effective management and oversight.
 - vi. The assessment of firm portfolios against Supervision's key objectives and the work underway to prioritise and address risk of firm failure.
 - vii. The impact of the pandemic on the progression of whistleblowing cases and the development of metrics to ensure effective management of oversight.
 - viii. the challenges stemming from the expansion of the perimeter to include products such as funeral plans.

4 Report from the PRA

- 4.1 Mr Woods briefed the Board on the business of the PRA that was of relevance to the FCA.

5 EU Withdrawal

- 5.1 The Board was briefed on the FCA's preparedness for the end of the transition period including an update on the negotiations, the risk of consumer disruption and the remaining regulatory risks.
- 5.2 The Board considered the preparatory work underway including development of business continuity plans and scenario playbooks to ensure appropriate resources are available over Christmas and into the New Year.

6 Corporate Responsibility Update

- 6.1 The Board was briefed on progress against the FCA's Corporate Responsibility Strategy which encompasses both diversity and inclusion and community engagement. The impact of global events and the pandemic was acknowledged, along with the accompanying ambition to be bolder and more ambitious in the FCA's approach to corporate responsibility, with a particular focus on diversity and inclusion.

- 6.2 The Board strongly endorsed this approach and considered diversity and inclusion integral to the FCA's work. The importance of clear messaging regarding what the FCA was trying to achieve, as well as developing the organisation's understanding of the communities it served was also discussed.

7 Rules and Guidance and Technical Standards to be determined

- 7.1 The Board **resolved** to make the following instruments:
- i. Debt Advice Levy (Additional Sum 2020/2021) Instrument 2020 (FCA 2020/69)
 - ii. Technical Standards on Strong Customer Authentication and Common and Secure Methods of Communication Instrument 2020 (FCA 2020/70)
 - iii. Payment Services (Amendment No 2) Instrument 2020 (FCA 2020/71)
 - iv. Technical Standards on Strong Customer Authentication and Common and Secure Methods of Communication (Amendment of eIDAS Certificate) Instrument 2020 (FCA 2020/72)
 - v. Prospectus Regulation Rules (Amendments) Instrument 2020 (FCA 2020/73) Decisions of the Board

8 Decisions of the Board

- 8.1 The Board **approved** the minutes of the meetings that took place on 21 & 22 October 2020 and 2 November 2020.
- 8.2 The Board **agreed** the proposed updates to the action log.
- 8.3 The Board **approved** changes to the Finance and Travel & Expenses policies.
- 8.4 The Board **approved** the following Panel appointments:
- i. **Euan Stirling** as a member of Listing Authority Advisory Panel, for a period of three years, from 1 December 2020.
- 8.5 The Board **approved** the composition of the Nominations Committee, to comprise of all the non-executive directors of the FCA with the exception of the Bank of England's Deputy Director for Prudential Regulation, and the consequential update to the Nominations Committee's terms of reference.
- 8.6 The Board **approved** the draft Enterprise Act Report 2019/20, including the messaging regarding Pension Transfers and the Enterprise Act methodology. The Board delegated authority to the Executive Director of Strategy & Competition to finalise the document for publication.

9 Reports from the Independent Panels

- 9.1 The Board **noted** the issues raised in the monthly reports from the Independent Panels.
-

10 Reports from the Chairs of Board Committees

- 10.1 The Board **noted** the reports from the Chairs of the Risk Committee and Audit Committee.

11 Papers for noting

- 11.1 The Board noted the Primary Markets Effectiveness Review and the approach to authorisations withdrawals and refusals.

12 AOB

- 12.1 There being no further business the meeting closed.

Charles Randell
Chair

ANNEX A: Attendees***Attending for all, or substantially all of the meeting:**

Megan Butler	Executive Director, Transformation (excluding item 2)
David Cross	Private Secretary to the CEO
Jonathan Davidson	Executive Director, Supervision – Retail & Authorisations (excluding item 2)
Nausicaa Delfas	Executive Director, International (excluding item 2)
Sheree Howard	Executive Director, Risk and Compliance Oversight
Sheldon Mills	Interim Executive Director, Strategy & Competition (excluding item 2)
Simon Pearce	Company Secretary
Georgina Philippou	Chief Operating Officer (excluding item 2)
Ian Runacres	Private Secretary to the Chair
Mark Steward	Executive Director, Enforcement and Market Oversight (excluding item 2)
Andrew Whyte	Director, Communications

Attending for the following items:

2	Pritheeva Rasaratnam	Head of Department, Complaints, Assurance and Independent Reviews
	Jeanette Bateman	Manager, Assurance and Independent Reviews
	Marcus Adams	Head of Department, HR Strategy and Policy
	Martin Boffey	Head of Department, GCD International & Governance
	Stephen Humphreys	Head of Department, Corporate Communications
	Matthew Lohn	Fieldfisher
	Simon Lewis	FTI
	John Waples	FTI
	Mitch Barltrop	FTI
5	Zertasha Malik	Head of Department, International
	Greg Sachrajda	Head of Department, International Delivery
	Stephane Amoyel	Manager, EU Withdrawal Policy
	Joanna Legg	Manager, International Delivery
6	Sara Nursaw	Manager, Corporate Responsibility
	Vickiesha Chabra	Technical Specialist, Corporate Responsibility

*Relevant associates and professional support staff were also in attendance