Martin Wheatley Esq
Chief Executive, Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

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Dear Martin,

I have read the FCA’s consultation paper, ‘Strengthening accountability in banking: forms, consequential and transitional aspects’, and was interested in the proposals on ‘grandfathering’ individuals under the Approved Persons Regime.

The FCA proposes that any individual currently approved to perform a Significant Influence Function in a relevant firm will be able to take up a corresponding senior management role in the new Senior Managers Regime without the need for ‘fresh approval’. This condition will hold provided the individual submits a ‘notification’—including a proposed ‘Statement of Responsibilities’—to the appropriate regulator by the relevant deadline.

Given the administrative burden that would be involved in re-approving every member of the current Approved Persons Regime, the practical justification for a ‘grandfathering’ arrangement is clear. However, it is crucial to the success of the Senior Managers Regime that individuals are ‘fit and proper’ to perform their roles, and any regulatory assessment of this must consider the responsibilities that an individual’s role entails. I would therefore be grateful to know what assessment the FCA intends to make of whether ‘grandfathered’ individuals are fit and proper with regard to the ‘Statement of Responsibilities’ that they submit.

I will be placing this letter and your response in the public domain. I am writing in similar terms to the PRA.

Yours ever,

Andrew Tyrie
CHAIRMAN OF THE TREASURY COMMITTEE