

25 The North Colonnade
Canary Wharf
London
E14 5HS

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

24 January 2018

Our Ref: SA171221E

Rt Hon Nicky Morgan MP
Chair of the Treasury Committee
House of Commons
Committee Office



Commercial Credit Data Sharing scheme

Thank you for your letter of 20 December 2017 regarding the operation of the Small and Medium Sized Business (Credit Information) Regulations 2015. I understand that you have written in similar terms to the Chancellor of the Exchequer, and that HM Treasury will respond separately.

You ask for an update on the operation of the Commercial Credit Data Sharing scheme and an explanation for any delay in its implementation. The FCA does have a limited role under the Regulations, details of which I set out below, but HM Treasury will be better placed to answer on the operation and implementation of the scheme.

The Regulations require the FCA to maintain arrangements to monitor and enforce the requirements, using our resources in the most efficient and economic way. However, designation of entities under the Regulations is solely a matter for HM Treasury. Some designated entities may also need authorisation under the Financial Services and Markets Act (FSMA) in respect of regulated activities, such as that of providing credit references. To assist designated entities we have published the following guidance on our website, setting out details of our role and our approach to monitoring compliance:

<https://www.fca.org.uk/publication/finalised-guidance/fg16-4.pdf>

If we receive information about potential non-compliance with the Regulations by designated banks or credit reference agencies, we would consider this in accordance with our relevant supervisory processes. We have received no such representations to date.

I hope that the above is helpful in clarifying the nature of our role in relation to the scheme, which I recognise can play an important role in encouraging the provision of finance to Small and Medium-sized Enterprises.

Andrew Bailey
Chief Executive