



FCA Business Plan 2018/19



Overview

This year's plan departs from convention by not including a Risk Outlook and consequently is less forward-looking than usual, with the primary focus on the work needed for EU Withdrawal.

However there is acknowledgement of three areas that require further development:

- Cyber and financial crime
- 'Big Data'
- Technology innovation (including open banking)

There are also three areas which are highlighted as a particular focus for the FCA – the operation of MiFID II, firms' culture & governance (implementing SMCR) and pension provision.

Key elements of the FCA's work on EU Withdrawal

- Working on converting EU legislation into UK law
- Assessing the impact of transitional arrangements
- Liaising closely with the Bank of England, on dual-regulated firms
- Building the new regime for the regulation of EEA firms, including implementing a temporary permissions regime and preparing for the regulation of credit-rating agencies and trade repositories
- Monitoring supervisory risks arising from the impact of Brexit on firms' future operations and business models
- Preparing the FCA's own operations, including its systems and technology

Maintaining and extending international cooperation, including information sharing on firms and markets



Cross-sector priorities

Culture and Governance

- SMCR rules to be finalised, including the content of a public register [Q3 2018]
- Review remuneration arrangements generally and in consumer credit in particular

Financial Crime and Anti Money Laundering

- Thematic review of financial crime of e-money [Q3 2018]
- Thematic review of money laundering in capital markets [Q2 2019]
- Increase efforts to make consumers aware of fraud and scams
- Take forward newly-established Office for Professional Body Anti Money Laundering Supervision (OPBAS)
- Enact Financial Action Task Force (FATF) Mutual Evaluation recommendations [Q4 2018]

Data Security, Resilience and Outsourcing

- Assess operational resilience / cyber-attack controls, including systems and governance
- Focus on reviewing outsourcing and developing risks in the outsourcing industry including core infrastructure provision and concentration

Innovation, big data, technology and competition

- Testing opportunities for better use of RegTech and analytics
- Joint work with the Information Commissioner on use of "big data"
- Publish consultation on retail banking business models including impact of digital innovation [Q1 2019]
- Consultation on improved consumer protection in crowdfunding
- Report on Crypto-currencies with Bank of England and Treasury [Q3 2018]

Treatment of existing customers

- Review of customer decision making and value assessment in general insurance purchases
- Continuing work on transparency and competition in cash savings market
- Preparing for Claims Management Companies to fall under FCA regulation [Q2 2019]
- Consulting on rules for small and medium sized enterprises to have access to the Financial Ombudsman
- Review competition in non-workplace pensions, including charges and barriers to comparison
- Review barriers to provision of alternatives to High Cost lending
- Review of high-cost credit markets including rent-to-own pricing, home-collected credit re-financing, catalogue credit arrears
- Publish consultation on retail banking business models including high charges on overdrafts [Q1 2019]



Key markets-led work

Retail lending

- Publish rules on assessing creditworthiness in consumer credit
- Publish rules on High Cost Credit [Q4 2018]
- Conduct a Market Study on access to and use of credit information [Q4 2018]
- Publish interim report of the Mortgage Market Study [Q2 2018]
- Publish thematic review of remuneration models in credit broking [Q4 2018]
- Publish thematic review of debt management advice providers [Q4 2018]
- Further review work of motor finance, focus on responsible lending and commission arrangements [Q3 2018]
- Publish an interim report on migrating Consumer Credit Act provisions to the FCA Handbook [Q4 2018]

General insurance and protection

- Implement IDD [Q3 2018]
- Publish an interim report on the Wholesale Insurance Brokers Market Study [Q1 2019]
- Publish vulnerable customers Feedback Statement [Q2 2018]
- Publish a report on the value chain in general insurance claims and how customer premiums are allocated [Q3 2018]
- Review claims inflation [Q1 2019]

Retail banking

- Implementing ring fencing including IT impacts [Q1 2019]
- Publish consultation on retail banking business models and final rules to improve competition in current accounts [Q1 2019]
- Develop a payments sector strategy, including payment fraud risk
- Understand Account Information and Payment Initiation Service Providers bought within FCA perimeter by PSD2

Wholesale financial markets

- Publish approach to wholesale market integrity [Q1 2019]
- Utilising enhanced transaction reporting data, take more action against market abuse
- Focus on research unbundling and best execution post-MiFID II
- Enhance supervision of algorithmic High Frequency Trading, fixed income, commodity and non-standard derivative markets
- Thematic review of money laundering in capital markets [Q2 2019]
- Implement EU Benchmark Regulation [Q2 2018]
- Recognising voluntary industry codes of conduct for unregulated markets

Investment management

- Further consultation and rules on information disclosures to investors, final rules Q1 2019
- Consult on new rules for open-ended fund liquidity risk management
- Support Treasury negotiations on new EU investment firm prudential rules
- Conduct research on the impact of passive investment on financial markets

Retail investments

- Perform review work of robo-advice models [Q1 2019]
- Publish interim Investment Platforms Market Study [Q3 2018]
- Enhance supervision of advice on high-risk investments and the firms that provide it [Q1 2019]
- Evaluating how effective new rules on Contract for Difference firms have been

Pensions and retirement income

- Develop joint Pension Strategy with The Pensions Regulator
- Publish Retirement Outcomes Review and draft remedies [Q3 2018]
- Publish final rules on pension transfer advice [Q1 2019]
- Review possibility of extending remit of workplace pension scheme Independent Governance Committees
- Consult on extending PS18/8 governance changes to with-profits and unit-linked funds

Our partner team



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