

**FSA CONSULTATION AND DISCUSSION PAPERS – 2009**

<b>Title</b>	<b>Short Summary</b>	<b>Link</b>
<b>CP09/1***: Temporary short selling measures</b>	Under the proposals issued today, FSA will extend the disclosure regime until 30 June 2009. It is proposing to make one change to the regime. Currently a disclosure must be made if a net short position exceeds 0.25% of a relevant firm's issued shared capital, with further disclosures required if there are any changes in the position. Under the proposals further disclosures would only be required at 0.1% bands (e.g. as a net short position reached 0.35%, 0.45% and so on). The scope of the disclosure obligations continues to apply only to stocks in UK financial sector companies. In addition, it proposes that the ban on the short selling of stocks in UK financial sector companies will expire on 16 January 2009. This consultation was to close on 9 January to enable the new measures to be in place at the expiry of the existing ones on 16 January.	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_01.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_01.pdf</a>
<b>CP09/2*: Quarterly Consultation (No. 19)</b>	This CP proposes amendments to: Chapter 16 of SUP relating to the reporting requirements in SUP 16.12 – Integrated Regulatory Reporting. Consultation closes on 9 March 2009.	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_02.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_02.pdf</a>
<b>CP09/3***: Financial Services Compensation Scheme reform - Fast payout for depositors and raising consumer awareness</b>	This CP recommends: simplifying eligibility for deposit compensation to include all private individuals and small entities; cross payout, which would ignore any debts the depositor has with the same firm; ensuring the firm holds up to date information to allow quick processing of claims; ensuring firms provide information on the existence and basic coverage of FSCS for deposits; and requiring firms proactively to tell consumers which trading names are covered by a particular authorisation. The set up and maintenance costs of new IT systems for quick claims processing are estimated at £891.8m over five years. Firms' obligations to tell customers about the FSCS scheme, along with telling customers which trade names are covered by a particular authorisation, would have estimated set up costs of £34.6m and ongoing annual maintenance costs of £4.2m. It also includes proposals on how FSA aims to increase the awareness and understanding of FSCS among consumers. Responses are required by 6 April 2009.	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_03.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_03.pdf</a>
<b>CP09/4***: Rights issue subscription periods</b>	The CP proposes to reduce the minimum subscription period for companies undertaking a rights issue to either 14 calendar days or 10 business days. Consultation on other recommendations of the Rights Issue Review Group will take place later on in the year. This consultation closes on 26 January 2009. FSA will aim to finalise the proposals with changes to the relevant Listing Rules taking effect at the start of February 2009	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_04.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_04.pdf</a>

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<b>CP09/5*: Obtaining and using firm-commissioned reports</b>	<p>This CP sets out proposed amendments to Chapter 3 of EG (as set out in Appendix 1 of this CP). The proposed amendments will offer the following clarification:</p> <ul style="list-style-type: none"> <li>• Firms are not under any obligation to share with us the content of a report they are given or advice they receive where such a report or advice is protected by legal professional privilege.</li> <li>• In situations where a firm voluntarily decides to offer FSA investigation reports, it suggests that the firm consider discussing the scope of an internal investigation report with FSA.</li> <li>• If a firm is willing to provide an internal investigation report to FSA under a "limited waiver" of legal privilege, then it should be aware that the benefits from sharing the report will be diminished if it is not also willing to provide FSA with underlying documentation on which the report is based.</li> <li>• FSA explains how it will use internal investigation reports passed to it by firms and address potential issues that may arise in relation to onward disclosure of information, particularly to overseas regulators.</li> </ul> <p>The consultation closes on 23 February 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_05.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_05.pdf</a>
<b>DP09/1: Short selling</b>	<p>FSA has proposed a general short selling disclosure requirement for all UK listed stocks. The proposals follow a comprehensive review of short selling undertaken since FSA introduced its temporary ban in September 2008. It looks at the arguments for and against short selling, examines possible regulatory constraints on short selling and then examines options for enhanced transparency. The paper poses a number of questions on each of these areas and asks for responses to assist FSA in formulating a regulatory response. FSA believes that the benefits of short selling such as price efficiency and liquidity, normally outweigh the disadvantages and proposes that there should be no direct restrictions on short selling. However, it sees advantages in having enhanced transparency of short selling and so proposes that disclosure requirements for significant short positions should be introduced for all UK listed stocks. The closing date for responses is 8 May 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/discussion/dp09_01.pdf">http://www.fsa.gov.uk/pubs/discussion/dp09_01.pdf</a>

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<b>CP09/6**:</b> <b>Regulating sale and rent back: an interim regime</b>	<p>The Government is proposing that companies offering sale and rent back agreements, which may target homeowners facing repossession, should be brought within the scope of FSA regulation. FSA has published a separate consultation alongside on the detail of its proposed new regime. The CP proposes a two-stage approach: an interim regime to be brought in from July to address the most significant problems consumers face as soon as possible, followed by a full regime which is likely to be implemented in the second quarter of 2010.. Under the interim regime SRB firms will need to meet FSA threshold conditions including the requirement to be run by fit and proper people, to adhere to the Principles for Businesses and to meet some systems and controls and conduct of business rules. The section stage will include full authorisation, prudential requirements and further conduct of business rules. Subject to the outcome of consultation and Parliamentary approval, the Government is proposing that FSA puts in place an interim regime by July 2009. FSA will put in place its full regulatory regime following consultation and the publication of its final rules. The closing date for responses to both papers is 1 May 2009.</p>	<p><a href="http://www.fsa.gov.uk/pubs/cp/cp09_06.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_06.pdf</a></p> <p>Link to HMT paper:  <a href="http://www.hm-treasury.gov.uk/d/consult_rent_sal_e060209.pdf">http://www.hm-treasury.gov.uk/d/consult_rent_sal_e060209.pdf</a></p>
<b>CP09/7**:</b> <b>Regulatory fees and levies: - Rates proposals 2009/10</b>	<p>This CP sets out FSA's proposed policy changes to the fee and levy regimes; its Annual Funding Requirement and its allocation between fee-blocks; fee rates for the forthcoming financial year; FSCS management expenses levy limit; and FOS general levy for the forthcoming financial year. Overall, FSA expects that the proposals it is now making for those fees and levies, together with the compensation costs that FSCS is likely to include as part of its levy, means that the industry, as a whole, will pay an additional £707.3m in 2009/10, than it did in 2008/09. There are individual chapters covering special project fees in respect of EU implementation costs, Solvency II implementation costs; refinancing transactions; proposals for application fees for firms who will be required to register or become authorised under the PSD; proposals in respect of ISPVs.</p>	<p><a href="http://www.fsa.gov.uk/pubs/cp/cp09_07.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_07.pdf</a></p>
<b>CP09/8**:</b> <b>Regulating reclaim funds</b>	<p>Further to yesterday's HMT CP, this CP outlines the Dormant Bank and Building Society Accounts Act 2008 and then goes through FSA's proposed approach to authorising and regulating reclaim funds. It is noted that FOS and FSCS will cover customers of banks and building societies who have dormant accounts transferred to a reclaim fund. FSA has pre-consulted and worked with BBA and BSA, who have committed to facilitating the establishment of a reclaim fund to enable the scheme to commence during 2009, as well as with HMT and FSA intends to work with interested applicants on a pre-application basis and also through the authorisation process. FSA is prepared to work on this basis with interested applicants straightaway. The length of the consultation has been shortened to ensure the regime can start during the first half of 2009 (closing date for responses is 29 April 2009).</p>	<p><a href="http://www.fsa.gov.uk/pubs/cp/cp09_08.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_08.pdf</a></p>

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<b>CP09/9***: With-profit funds - compensation and redress: Further consultation, feedback on CP08/11 and draft Handbook text )</b>	<p>FSA has published a further CP relating to compensation and redress payments arising from operational failures including misselling that life insurance companies may currently charge to their with-profits funds. These proposals relate specifically to proprietary firms rather than mutuals. Under current rules, a firm may pay compensation and redress from assets attributable to shareholders or from the inherited estate of its with-profits fund (if any). In CP08/11, FSA proposed that the shareholders alone should meet the cost of future compensation and redress payments as the current rules may not lead to the fair treatment of policyholders. FSA is now proposing that the amended rules should only apply to compensation and redress payments resulting from events that take place after the rule comes into force. This will provisionally be the end of July. The deadline for comments on the CP is 22 May 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_09.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_09.pdf</a>
<b>DP09/2: A regulatory response to the global banking crisis</b>	<p>This DP underpins The Turner Review, which is being published simultaneously. This DP covers the issues set out in Chapter 2 of The Turner Review and the associated actions, providing further analysis and background material. Both documents have a common analysis of the main causes of the current financial crisis. This overview concludes with the list of actions required to create a stable and effective banking system set out in The Turner Review. This DP contains no further actions or recommendations. Instead, it discusses options for the policy choices that need to be made to enable supervisory authorities around the world both to deal decisively with the current problems and to equip them to react swiftly and effectively to any future developments that may, once the current crisis is over, again threaten to undermine financial stability. Responses are required by 18 June 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/discussion/dp09_02.pdf">http://www.fsa.gov.uk/pubs/discussion/dp09_02.pdf</a>
<b>CP09/10***: Reforming remuneration practices in financial services</b>	<p>Further to FSA's draft Code of Practice on remuneration policies published on 26 February 2009, this CP puts forward a revised Code and formally consults on applying it to a group of large banks and broker dealers and incorporating it into the FSA Handbook. FSA is also inviting general discussion and feedback on whether the Code should be extended to other FSA-authorized firms. It also reports on the findings of its review of remuneration practices in a group of major UK-incorporated banks and building societies undertaken between November 2008 and January 2009. Comments should reach FSA by 18 May 2009 for the consultation questions and by 18 June 2009 for the questions for discussion. FSA proposes to provide feedback and publish the new rules, if it decides to go ahead, by early August 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_10.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_10.pdf</a>

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<p><b>CP09/11***: FSCS: temporary high deposit balances and implementing changes to the Deposit Guarantee Schemes Directive</b></p>	<p>FSA is consulting on its proposals involving temporary high deposit balances (such as those arising following a house sale or receipt of an inheritance). The paper follows CP08/15, published in October 2008, which sought views in general terms on various options. It gives feedback on the responses to CP08/15 and contains draft rules on temporary high balances. The CP also consults on proposals to implement a number of changes to the Deposit Guarantee Schemes Directive (DGSD) which was amended at the end of 2008. FSA notes that any rules on temporary high balances are ultimately dependent on responses to this consultation and on discussions at EU level. The DGSD was amended at the end of 2008. The amended directive provides that an EU-wide common deposit protection limit of €100,000 will come into force from the end of 2010, unless an EC review concludes that the increase is not appropriate and the Council and European Parliament agree. If a common fixed limit is adopted, then the UK will not be able to have higher protection for temporary high balances unless it is agreed at EU level that an exception should be permitted. The EC has been asked to carry out an assessment of this question by the end of 2009. The changes to the DGSD that FSA is consulting on were agreed at the end of 2008 and include: increasing the minimum deposit limit to €50,000, by 30 June 2009; a requirement to inform depositors if their deposits are not covered by the compensation scheme (because they do not meet the eligibility criteria), to be implemented by 30 June 2009; requirements for EEA Deposit Guarantee Schemes to cooperate with each other, by 30 June 2009; a time limit of 20 working days from the date of a duly verified claim for payment of compensation to depositors, to be implemented by 31 December 2010 (FSA is already consulting on changes to permit payment of compensation within seven days, so will not need to implement this new requirement separately); and requirements for EEA Deposit Guarantee Schemes to carry out regular tests of their systems, from 31 December 2010. FSA says that it is not consulting at this time on the proposed increase in the deposit protection limit to €100,000 because it is not yet clear if and when this will happen. Consultation on the proposals in the CP ends on 30 April 2009 for the proposals in Chapter 3 implementing changes to the DGSD; and on 30 June 2009 for the proposals in Chapter 2 on temporary high balances. FSA will then make rules to bring the relevant DGSD changes into force by 30 June as required by the Directive. Whether it makes final rules to implement the proposals on temporary high balances will depend in part on the outcome of EU discussions.</p>	<p><a href="http://www.fsa.gov.uk/pubs/cp/cp09_11.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_11.pdf</a></p>

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<b>CP09/12*: Quarterly consultation (No. 20)</b>	<p>This CP proposes amendments to:</p> <ul style="list-style-type: none"> <li>• IPRU(INS), dealing with the submission of EEA statistical returns by insurers passporting into EEA Member States;</li> <li>• GENPRU, such that the prudential filter continues to apply when assets have been reclassified away from the AFS debt category to the L&amp;R category (or to the Held-to-Maturity category);</li> <li>• CIS, to remove the requirement for an umbrella scheme to launch one or more subsequent sub-funds within 24 months of the launch of the first sub-fund of the scheme;</li> <li>• allow firms to submit application fees by credit or debit card when varying their part IV permissions;</li> <li>• PERG, in relation to the scope of the activity of making arrangements with a view to transactions in investments and also to the definition of personal pension schemes;</li> <li>• issue guidance setting out FSA's view on what packagers of structured products need to do to ensure their product does not amount to a CIS.</li> </ul> <p>Responses are required by 6 June 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_12.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_12.pdf</a>
<b>CP09/13**: Strengthening liquidity standards 2: Liquidity reporting</b>	<p>The CP sets out FSA's proposals for a new liquidity reporting regime, which is part of the proposed overhaul of UK liquidity regulation, as set out in last December's CP08/22: Strengthening liquidity standards. The new regime will require firms falling within the scope of the new Individual Liquidity Adequacy Standards (ILAS) regime to submit quantitative reports. The frequency and granularity of these reports will vary according to whether a firm is a standard ILAS firm or a simplified ILAS firm. Responses are required by 15 July 2009.</p>	<a href="#">CP09/13: Strengthening liquidity standards 2: Liquidity reporting</a>
<b>CP09/14**: Strengthening liquidity standards 3: Liquidity transitional measures</b>	<p>This CP sets out FSA's proposals for transitional measures which are intended to aid the implementation of its new liquidity regime (on which it consulted through CP08/22 and CP09/13). It proposes a phased approach, differentiated for each class of firm within the scope of the new liquidity regime. The new liquidity regime will apply to banks, building societies, branches of EEA and non-EEA banks and BIPRU investment firms. BIPRU Limited License and Limited Activity investment firms will be subject only to the proposed enhanced systems and controls requirements. FSA intends to publish a PS in Q3 2009, setting out the finalised liquidity regime and reporting rules together with the transitional arrangements. This will consider and incorporate, where appropriate, feedback received to CP08/22 and CP09/13. As noted in the 2009/10 Business Plan and DP09/02, FSA intends that the new rules and guidance on liquidity risk management, including transitional provisions, will take effect Q4 2009. The consultation closes on 31 July 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_14.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_14.pdf</a>

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<b>CP09/15***: Extension of the short selling disclosure obligation</b>	<p>FSA is proposing to extend the current disclosure regime for significant net short positions in the stocks of UK financial sector companies, due to expire on 30 June 2009. However, it expects that, in the longer term, the requirements will be replaced by a broader short selling regime for all UK stocks. As is the case at present, disclosures will only need to be made if a net short position exceeds 0.25% of a company's issued shared capital or increases by 0.1% bands above that (e.g. net short position reaches 0.35%. 0.45% and so on). The consultation period on the proposals will close on 12 June to enable any new measures to be put in place before the current regime expires.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_15.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_15.pdf</a>
<b>CP09/16: Financial Services Compensation Scheme: Verification of the single customer view and changes to deposit compensation</b>	<p>In this CP, FSA proposes to extend until December 2010 interim rules which allow separate compensation cover for customers with deposits in two merging building societies. It also proposes a similar extension for customers of a building society which merges with a subsidiary of another mutual society and for customers whose deposits are transferred from a failed firm to another deposit taker where they already have an account. The rules had been due to expire on 30 September 2009. FSA notes that the Deposit Guarantee Schemes Directive (DSGD) has recently been amended to introduce an EU-wide common deposit protection limit of €100,000 from 31 December 2010, but that this amendment will only take effect if the EC reports that such a change would be appropriate and financially viable for all EU Member States. The report is due by the end of this year, but even then it may not be clear what the eventual outcome will be. In these circumstances FSA decided that an extension to December 2010 is the right course now allowing a permanent decision to be made later when the final DSGD position is known. The consultation period for this ends on 6 July 2009. The CP also proposes measures on how FSA would supervise the 'single customer view' of deposits covered by the FSCS, if that goes forward and on how the FSCS would treat term deposit accounts when it pays compensation following a default. The consultation period for these items ends on 4 September 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_16.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_16.pdf</a>

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<p><b>CP09/17**:</b> A Specialist Sourcebook for Building Societies: Enhanced supervisory guidance on financial and credit risk management</p>	<p>This CP proposes guidance on the systems and controls which FSA believes are appropriate for a variety of levels of sophistication within building society business models. The guidance is structured as five basic classifications for treasury management and three for lending. This builds on existing (although interim) Handbook guidance on financial risk management, to make more explicit FSA's expectations of building societies' business and operations. FSA will ask each society proactively to review its financial risk management self-classification against the amended criteria and consider the implications in relation to its liquidity and wholesale funding models. They will similarly self-classify their existing lending model against the new categories and compare their risk management. Societies that demonstrate the necessary risk management systems and skills will have complete flexibility to run their business within the statutory limits set by the Building Societies Act. Those which cannot, FSA will steer to a simpler business model category and activities they can safely undertake processes to its expectations. Supervisors will, as now, consider as part of the supervisory process whether they are convinced that each society has the management skills, systems and controls consistent with its self-assessment and preferred categorisation. The supervisor could either accept the categorisation, or require the firm to improve its systems and controls first. If a society wishes at a future date to move to a higher categorisation, the published guidance will help it to understand what additional systems and controls FSA will expect it to put in place to manage the extra activities. When FSA's new liquidity regime for banks and building societies is implemented, it will delete significant sections of IPRU BSOC, will rationalise the material that remains, and combine it with this new material in a new specialist sourcebook, which will make the key material more easily accessible to societies. The consultation closes on 5 September 2009.</p>	<p><a href="http://www.fsa.gov.uk/pubs/cp/cp09_17.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_17.pdf</a></p>
<p><b>CP09/18***:</b> Distribution of retail investments: Delivering the RDR</p>	<p>FSA is consulting on rules to ensure that: independent advice is truly independent and reflects investors' needs; people can clearly identify and understand the service they are being offered; commission-bias is removed from the system – and recommendations made by advisers are not influenced by product providers; investors know up-front how much advice is going to cost and how they will pay for it; and all investment advisers will be qualified to a new, higher level, regarded as equivalent to the first year of a degree. The consultation closes on 30 October 2009.</p>	<p><a href="http://www.fsa.gov.uk/pubs/cp/cp09_18.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_18.pdf</a></p>

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<b>CP09/19***: Enforcement financial penalties</b>	<p>Under new proposals outlined in this CP, fines will be linked more closely to income and be based on: up to 20% of the company's income from the product or business area linked to the breach over the relevant period; up to 40% of an individual's salary and benefits (including bonuses) from their job relating to the breach in non-market abuse cases and a minimum starting point of £100,000 for individuals in market abuse cases. The total fine imposed will also take into account other factors, such as the desired deterrent effect and any settlement discount. FSA is also proposing a minor change to EG to clarify the situations when it is likely to publicise its action in criminal investigations. The consultation will close on 21 October 2009 and any new policy is likely to apply to breaches committed after February 2010.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_19.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_19.pdf</a>

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<p><b>CP09/20*: Quarterly Consultation No. 21</b></p>	<p>This CP proposes amendments to:</p> <ul style="list-style-type: none"> <li>• BIPRU - to allow banks which use the internal ratings based approach to model their risks additional flexibility in estimating the maturity of trade finance facilities they provide to borrowers;</li> <li>• BIPRU - to allow limited licence and limited activity investment firms to continue to rely on the transitional provisions until 31 December 2010;</li> <li>• GENPRU and INSPRU - to the use and definition of approved reinsurance to close;</li> <li>• GENPRU, INSPRU, IPRU (FSOC) and IPRU (INS) - to update and give better effect to FSA policy;</li> <li>• BCOBS - including: the addition of guidance to BCOBS on the advance notification to a banking customer of material changes to interest rates that are to the customer's disadvantage and of bonus or introductory rates coming to an end; these proposals would not at present be relevant to credit unions as they are currently unable to offer interest on deposits; adding provisions to BCOBS on liability for losses in respect of unauthorised transactions on accounts outside the scope of the PSRs; adding a rule to BCOBS to mirror COBS 2.1.2R on exclusion of liability; adding a rule to BCOBS on the action a firm must take where it has failed to execute a transaction or has executed it incorrectly; a six-month transitional provisions to allow firms time to change references to the Banking Code and Business Banking Code in documentation and literature and to allow firms time to implement FSA's proposals on interest rates;</li> <li>• SUP - to make mandatory for firms to submit authorisation and notification forms electronically;</li> <li>• SUP - to clarify the consequences of failing to disclose relevant information;</li> <li>• COLL - to provide greater clarity on several aspects of scheme management;</li> <li>• DISP and FEES - to complete the regulatory changes required to implement the PSD;</li> <li>• SUP - to enhance the regulatory approach to PII policy exclusions;</li> <li>• BIPRU - to extend the capital floors to help us meet our market confidence and consumer protection objectives.</li> </ul> <p>Responses to this CP should be received by 6 September 2009, except for the proposals in Chapters 6 and 10 (re BCOBS, DISP and FEES) where the consultation ends on 17 August 2009.</p>	<p><a href="http://www.fsa.gov.uk/pubs/cp/cp09_20.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_20.pdf</a></p>

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<b>CP09/21: Transparency as a regulatory tool and publication of complaints data including feedback to DP08/3</b>	<p>FSA proposes that firms receiving the largest number of complaints publish information on: how many complaints they have opened and closed; the percentage closed within eight weeks; and the percentage of complaints upheld. This information will need to be broken down into five product areas: banking, home finance, general insurance and pure protection, life and pensions, and investments. To make it easier for people to understand the data and compare the standard of different firms' complaints handling, firms will need to provide contextual information such as the number of complaints per 1000 customer accounts.. In addition, FSA is confirms that it will make greater use of a number of tools already at its disposal, including publishing anonymised results of thematic work and real-life case studies demonstrating where it has taken action against firms for producing poor financial promotions. Responses to proposals relating to the publication of firms' complaints data are required by 30 October 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_21.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_21.pdf</a>
<b>CP09/22: Regulating sale and rent back - the full regime</b>	<p>This paper sets out and seeks views on FSA's proposed approach to the application of a full regulatory regime to the sale and rent back market, including the rules and guidance it proposes to apply to firms carrying on these activities. Proposals include: a cooling-off period to give consumers more time to make decisions; banning cold calling and prohibiting firms from dropping promotional leaflets through letter boxes; prohibiting the use of emotive terms like 'fast sale', 'mortgage rescue' and 'cash quickly' in promotional literature; ensuring consumers have security of tenure; and a requirement that in every sale firms check that the consumer can afford the deal and it is right for them. Responses are required by 30 November 2009. FSA will finalise proposals in light of the responses received and intends to publish a PS and final rules in the new year, with a view to implementing the full regime on 30 June 2010.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_22.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_22.pdf</a>

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<p><b>CP09/23*: The assessment and redress of payment protection insurance complaints</b></p>	<p>The CP sets out proposals for: guidance on the fair assessment and (where appropriate) redress of complaints related to sales of PPI and rules requiring firms to re-assess, against the proposed new guidance, complaints (received since 14 January 2005) about PPI sales that the firm had previously rejected. The accompanying press release notes that firms representing more than 40% of face-to-face sales in the Single Premium Unsecured Personal Loan PPI market have agreed to review these sales and redress those consumers identified as missold. Ongoing supervisory action continues with the remainder of this market place. These measures build on the agreement FSA obtained from the industry earlier in 2009 to stop selling Single Premium PPI on unsecured loans. For complaints about all PPI products, new measures will tackle the key issue that too many complaints are rejected by firms and then overturned by FOS in favour of the consumer: new guidance (due to take effect by the end of the year) will ensure PPI complaints are handled properly, and redressed fairly where appropriate; a new rule will require firms to reopen some 185,000 previously rejected PPI complaints and reassess them against the guidance. In addition, FSA is launching targeted assessment of sales practices for PPI on secured loans and credit cards; if the potential for misselling is identified, proactive reviews by firms may be extended to these areas too. The closing date for comments on the consultation is 30 October 2009.</p>	<p><a href="http://www.fsa.gov.uk/pubs/cp/cp09_23.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_23.pdf</a></p>
<p><b>CP09/24**: Listing regime review - Policy statement for CP08/21 and further minor consultation</b></p>	<p>This paper incorporates amendments to the LR and FSA's responses to comments on CP08/21 - Amendments to the Listing Rules and feedback to DP08/1 (A review of the structure of the Listing Regime). It has now included two areas for further consultation. The first relates to the rule requiring overseas companies in the Premium segment to offer pre-emption rights to their shareholders - FSA is seeking technical input from market participants on whether the rule achieves FSA's policy objective effectively. The second relates to the draft rule changes in respect of a clarification that listed equity securities with a Standard Listing must be admitted to trading on a Regulated Market. Responses on these items must be received by 2 December 2009. FSA notes that it is bringing forward the timetable for making the Standard segment available to UK companies, so that the rule changes to implement this will be effective from 6 October 2009. This is in response to demand from a small number of issuers with specific capital-raising needs. Other rule changes will be in force on 6 April 2010. FSA has also announced that it is carrying out an exercise to allocate all securities to the relevant listing category. The vast majority of securities will be easily allocated but in a small number of cases FSA will need to tighten the existing definitions or amend the scope of current LR chapters. These include the treatment of convertibles, preference shares, options and subscription warrants. A separate consultation on this is scheduled to be issued in mid-November.</p>	<p><a href="http://www.fsa.gov.uk/pubs/cp/cp09_24.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_24.pdf</a></p>

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<b>CP09/25* Quarterly Consultation No. 22</b>	<p>In this CP, FSA invites comments on miscellaneous amendments to the Handbook. It proposes amendments to:</p> <ul style="list-style-type: none"> <li>• FEES for application fees for guidance or permission under the CRD;</li> <li>• PERG for the introduction of legislation for the regulation of sukuk; and</li> <li>• GLOSS, GENPRU, SYSC, BIPRU, IPRU (BANK), IPRU (BSOC) and SUP, due to the implementation of BIPRU 12 (liquidity standards).</li> </ul> <p>Responses are required by 6 November 2009. FSA proposes to finalise the application fees for permission under the CRD by 10 December 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_25.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_25.pdf</a>
<p><b>DP09/3: Mortgage market review</b></p> <p><b>Supplement: to DP09/3: Mortgage Market Review data pack</b></p>	<p>In this DP, FSA sets out the case for regulatory reform of the mortgage market and discusses a number of the issues and causal drivers it believes have resulted in consumer detriment in the market, and options for addressing them. FSA expects to issue an FS in March 2010 and, depending on its content, follow that with a CP (or papers). Responses are required by 30 January 2009.</p> <p>This data pack contains some of the statistical evidence that FSA used to inform its thinking in DP09/3. It is notes that, to ensure that any future policy changes are well targeted, FSA has obtained and are in the process of analysing a large amount of evidence that will help us identify products and practices in the market that cause consumer detriment. FSA intends to publish the outcome of this analysis in one or more CP in 2010.</p>	<p><a href="http://www.fsa.gov.uk/pubs/discussion/dp09_03.pdf">http://www.fsa.gov.uk/pubs/discussion/dp09_03.pdf</a></p> <p><a href="http://www.fsa.gov.uk/pubs/other/mmr_datapack.pdf">http://www.fsa.gov.uk/pubs/other/mmr_datapack.pdf</a></p>
<b>DP09/4: Turner Review Conference Discussion Paper</b>	<p>This DP focuses on two key issues: systemically important banks and, how to assess the cumulative impact of capital and liquidity reforms. Section 3 covers the issue of how to deal with systemically important banks which are seen as ‘too-big’ or ‘too-inter-connected-to-fail’ and considers how systemic importance can be defined and assesses policy options. Annex 1 sets out a more in-depth consideration of how recovery and resolution plans will be applied in the UK, potentially serving as a blueprint for international initiatives. Section 4 examines a potential approach to assessing the cumulative impact of reforms to the global capital and liquidity regime and considers the case for banks and investment banks conserving capital now, in anticipation of higher international regulatory requirements</p>	<a href="http://www.fsa.gov.uk/pubs/discussion/dp09_04.pdf">http://www.fsa.gov.uk/pubs/discussion/dp09_04.pdf</a>
<b>DP09/5: Enhancing financial reporting disclosures by UK credit institutions</b>	<p>In this DP, FSA asks for discussion on the main issues that have an impact on the quality of credit institutions’ financial reporting disclosures, with an emphasis on disclosures about financial instruments. This will affect the largest, UK-headquartered listed credit institutions, which are focused on in the DP. It is noted that FSA, in the course of developing the DP, held discussions with Barclays plc, HSBC Holdings plc, Lloyds Banking Group plc, Nationwide Building Society, Standard Chartered Plc and The Royal Bank of Scotland Group plc, both individually and through the BBA. BBA’s Code for Financial Reporting Disclosure is included in an Appendix. Responses are required by 30 April 2009.</p>	<a href="http://www.fsa.gov.uk/pubs/discussion/dp09_05.pdf">http://www.fsa.gov.uk/pubs/discussion/dp09_05.pdf</a>

Title	Short Summary	Link
<b>CP09/26**: Regulatory fees and levies: policy proposals for 2010/11</b>	<p>Following a review of its approach for determining the annual fees that firms pay, FSA is consulting on a number of measures to ensure that fees continue to be set in a fair way, and to make the basis for calculating fees easier for firms to understand. This includes setting a standard 'minimum fee' that all firms will have to pay to cover the basic cost of being regulated (based on 2009/10 costs, this minimum fee will be approximately £1000 - however, smaller credit unions will continue to pay a lower minimum fee, of either £160 or £540 depending on size) and ensuring that 'variable' fees over and above this basic minimum amount increase in direct relation to a firm's size – with the result that fees for the largest firms reflect the greater regulatory engagement they receive. FSA intends to publish a Fees Calculator which will enable firms to assess what these proposals mean for them by the end of November 2009. Responses to the consultation are required by 11 January 2010. In February 2010, depending on the outcome of this consultation, FSA plans to consult on fee levels for 2010/11 using this new fee model.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_26.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_26.pdf</a>
<b>CP09/27**: Review of the Credit Unions Sourcebook (CRED)</b>	<p>In this paper, FSA proposes to: increase capital and liquidity requirements for credit unions; reduce the submission period for annual returns from seven months to four months; and provide additional guidance on provisioning requirements. Although it proposes no changes to rules or guidance on senior management arrangements, systems and controls, FSA will increase its supervisory focus on governance issues. FSA notes the forthcoming Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 2010 (the LRO), which has implications for FSA's prudential rules and the guidance on the operation of credit union legislation in CRED and has included some amendments to CRED requirements to ensure consistency with the proposed legislative changes. The paper also proposes the restructuring of the CRED sourcebook, to be called "CREDS", which will remove guidance on credit union legislation and putting it in a separate Credit Unions Regulatory Guide (CURG). Responses are required by 10 February 2010.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_27.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_27.pdf</a>
<b>CP09/28*: Listing Regime review - Consultation on changes to the listing categories consequent to CP09/24</b>	<p>In this CP, FSA sets out some proposed technical changes to the Listing Rules, which are necessary to: clarify into which of the listing categories certain securities should be allocated and ensure the correct mapping of super-equivalent standards to those categories. FSA emphasises that this does not constitute new policy. Responses are required by 4 January 2010.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_28.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_28.pdf</a>

Title	Short Summary	Link
<b>CP09/29***: Strengthening Capital Standards 3</b>	<p>This CP sets out FSA’s proposals for implementing changes that are required following amendments to the CRD and also address some of the lessons learned from the financial crisis and follows up on aspects of the Turner Review. Proposals include:</p> <ul style="list-style-type: none"> <li>• improving the quality of firms’ capital by establishing clear EU-wide criteria for assessing the eligibility of hybrid capital to be counted as part of a firm’s overall capital. The proposals specify the features that hybrid capital must have regarding permanence, flexibility of payments and loss absorbency to be eligible as tier one capital;</li> <li>• strengthening the capital requirements for the trading book to ensure that a firm’s assessment of the risks connected with its trading book better reflects the potential losses from adverse market movements in stressed conditions;</li> <li>• enhancing the management of large exposures by restricting a firm’s lending beyond a certain limit to any one party;</li> <li>• improving the risk management of securitisation, including a requirement to ensure that a firm does not invest in a securitisation unless the originator retains an economic interest;</li> <li>• imposing higher capital requirements for re-securitisations to make sure that firms take proper account of the risks of investing in such complex financial products;</li> <li>• upgrading disclosure standards to increase market confidence.</li> </ul> <p>The consultation period closes on 10 March 2010. FSA plans to issue feedback with a PS confirming the final rules later on in 2010. The rules must come into effect on 1 January 2011.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_29.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_29.pdf</a>
<b>CP09/30***: Capital planning buffers</b>	<p>This CP clarifies FSA’s approach to capital planning buffers, which are set for BIPRU firms as part of Pillar 2 capital planning, in order to help firms understand better how this buffer may be drawn down during adverse external circumstances.</p>	<a href="http://www.fsa.gov.uk/pubs/cp/cp09_30.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_30.pdf</a>

Title	Short Summary	Link
<p><b>CP09/31***: Delivering the Retail Distribution Review: professionalism; corporate pensions; and applicability of RDR proposals to pure protection advice</b></p>	<p>On professionalism, under the proposed changes:</p> <ul style="list-style-type: none"> <li>• FSA will raise professional standards to build investor trust;</li> <li>• FSA will take greater supervisory oversight of investment advisers - and will be able to take a more intensive supervisory approach to bring about the required step change;</li> <li>• all investment advisers will need to be qualified to a new, higher level;</li> <li>• advisers will also have to adhere to a new code of ethics and standards of continuing professional development.</li> </ul> <p>On group personal pensions, under the proposed changes:</p> <ul style="list-style-type: none"> <li>• FSA will remove commission bias from the group personal pension market - recommendations made by advisers will not be influenced by product providers;</li> <li>• employers (or scheme members) will know and agree upfront how much advice is costing them and how they will pay for it; and</li> <li>• where advice is paid for on an ongoing basis ensure that this is done in a transparent way.</li> </ul> <p>On pure protection advice, FSA has not put forward proposals for consultation at this stage, but sets out an analysis of the scope for extension of RDR proposals to pure protection. It thinks there may be scope for applying RDR adviser service labelling and correspondingly raising the advice standards that required for those advisers calling themselves independent. FSA expects to consult on this in the second half of 2010. FSA notes that it does not think that adviser charging is the right approach for pure protection advice; however, there is a case for requiring commission disclosure where pure protection is sold alongside investments. FSA will consult on this in March 2010. FSA asks for views on the possible extension of RDR approaches to increasing professionalism amongst pure protection advisers. Responses to this CP are required by 16 March 2010. On professionalism, FSA will make the final decision on the governance of professional standards in Q3 2010 and will provide feedback to the questions in this CP and CP09/18 about CPD and ethical standards at the same time. FSA plans to publish its PS implementing consultancy charging in the corporate pensions market in Q3 2010. FSA intends to consult on a proposal to require commission disclosure for pure protection sold under ICOBS where advice is given alongside investment advice. It expects to consult on read-across of RDR adviser service labelling when the Mortgage Market Review proposals in this area have progressed further. FSA intends to publish a PS and final rules on the adviser charging and service proposals in CP09/18 in Q1 2010. This will also include feedback to the questions posed about simplified advice and associated qualification requirements for those people. The current CP does not address these RDR adviser charging proposals (except in relation to corporate pensions).</p>	<p><a href="http://www.fsa.gov.uk/pubs/cp/cp09_31.pdf">http://www.fsa.gov.uk/pubs/cp/cp09_31.pdf</a></p>