

## NedZone

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The FSA views NEDs as key players in its drive to tighten up corporate governance practices at regulated firms. NEDs are increasingly expected to act as internal policemen of firms' risk taking, and to question and where appropriate challenge the executive officers.

### Focus on competence and an active role

The role of NEDs at financial institutions has hit the headlines in the wake of the financial crisis, and the FSA is focusing its attention in particular on NEDs' credentials and competence to fulfil their roles. SIF interviews are set to become tougher than ever before, and once they've been appointed FSA may re-examine NEDs' competence as part of ARROW interviews. If you are a NED, you will have much greater personal exposure under the new regime and it is important that you understand FSA's expectations and know how to demonstrate that you have fulfilled the new enhanced role.

- Click [here](#) to access our summary table of the key changes affecting corporate governance by FSA and other bodies, including those affecting NEDs
- Click [here](#) for a summary and discussion of the FSA's consultation paper CP10/3 – "Effective Corporate Governance (Significant influence controlled functions and the Walker Review)", which sets out FSA plans to extend the approved persons regime, or here to access the consultation paper itself
- Click [here](#) to view the slides from our recent seminar: "Governance at financial institutions"
- Click [here](#) to read our recent article "Non-executive Directors: Their Enhanced Role in the Aftermath of the Banking Crisis"

### Enforcement

Where previously the FSA may not have pursued NEDs that acted in good faith within their roles, NEDs can now expect to face enforcement action where the FSA considers they should have done more to rein in the firm's executive.

- Click [here](#) for details of the FSA's new financial penalties regime, which could see firms and individuals receiving fines of up to three times more than previously
- For more information on FSA enforcement and the potential consequences for NEDs of not meeting FSA's requirements, click [here](#)

### How can we help?

We offer advice and training for NEDs on their ongoing duties and how to fulfil them, and if you or your firm do become the subject of enforcement action we can advise you throughout the process including interview preparation and dealing with FSA. Please contact [Simon Morris](#) for further details.

### Useful materials

Click [here](#) for a **summary of the proposals put forward in the Walker Review** and how these are to be implemented, and [here](#) for the **FSA's summary** of how it has implemented the Walker recommendations (page 51)

Click [here](#) to access our **corporate governance planning tool**

Click [here](#) for an archive of **resources** on corporate governance

Click [here](#) for an archive of **recent publications** on corporate governance by FSA and other bodies

Regzone materials are intended for clients and professional contacts of CMS Cameron McKenna LLP. They are intended to simplify and summarise the issues covered and must not be relied upon as giving definitive advice.

Further information, including a list of our offices, can be found at [www.cms-cmck.com](http://www.cms-cmck.com)

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