

FCA 2022 REGULATORY PRIORITIES & FOCUS AREAS

In taking an outcomes-based approach the FCA aims to reduce and prevent serious harm, set and test higher standards and promote competition and positive change.

The FCA considered both consumers and wholesale markets in their business strategy, addressing the following outcomes for each segment:

CONSUMER OUTCOMES INCLUDE:

FAIR VALUE



"Consumers receive fair prices and quality."
- FCA

SUITABILITY AND TREATMENT



"Consumers are sold suitable products and services and receive good treatment."
- FCA

CONFIDENCE



"Consumers have strong confidence and levels of participation in markets, in particular through minimised harm when firms fail and minimised financial crime."
- FCA

ACCESS



"Diverse consumer needs are met through high operational resilience and low exclusion."
- FCA

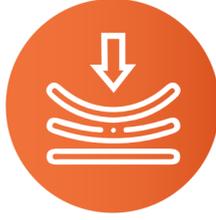
WHOLESALE MARKET OUTCOMES INCLUDE:

FAIR VALUE



"Market participants are able to make well-informed assessments of value and risks due to appropriate transparency."
- FCA

CONFIDENCE



"Markets are resilient to firm failures and clean with low levels of market abuse, financial crime and regulatory misconduct."
- FCA

ACCESS



"Markets are orderly in a variety of conditions, so participants are able to access a diverse range of services with minimised operational disruptions."
- FCA

FCA FOCUS AREAS

While the listed FCA priorities are intended to help compliance programs identify and mitigate potential risk factors, they in no way represent a holistic view of compliance risk in today's financial landscape.

An understanding of these individual focus areas, however, will help your program take a more proactive approach to risk factors the FCA deem of high significance.



FOCUS 1: REDUCING AND PREVENTING SERIOUS HARM

"We're focused on protecting consumers from the harm that authorised firms can cause. We're building on the changes we've made so we can act faster, protect more customers and, where we can, prevent harm before it happens." - FCA

COMMITMENTS INCLUDE:

- » Dealing with problem firms.
- » Improving the redress framework.
- » Reducing harm from firm failure.
- » Improving oversight of appointed representatives.
- » Reducing and preventing financial crime.
- » Delivering assertive action on market abuse.



FOCUS 2: SETTING AND TESTING HIGHER STANDARDS

"Focusing on outcomes will help to identify problems earlier, so we – the FCA and regulated firms – can prevent problems escalating or becoming widespread." - FCA

COMMITMENTS INCLUDE:

- » Putting consumers' needs first.
- » Enabling consumers to help themselves.
- » A strategy for positive change – our environmental, social and governance (ESG) priorities.
- » Minimising the impact of operational disruption.



FOCUS 3: PROMOTING COMPETITION AND POSITIVE CHANGE

"Financial services are a global industry and the UK is a world leader, with widely recognised and respected high standards. Our aim is to have open markets, supported by accessible rules."
- FCA

COMMITMENTS INCLUDE:

- » Preparing financial services for the future.
- » Strengthening the UK's position in wholesale markets.
- » Shaping digital markets to achieve good outcomes.



Source: FCA 2022 - 2025 Business Strategy: <https://www.fca.org.uk/publication/corporate/our-strategy-2022-25.pdf>

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The FCA focus areas can help compliance leaders and teams plan strategies and evaluate potential risks and controls. However, it is not an exhaustive list and CCOs should ensure all aspects of their compliance programs are designed to prevent, detect and correct violations.

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