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Dear Mr Woolard

RE: CP12/33: A new capital regime for Self-Invested Personal Pension (SIPP) operators (the Consultation)

We write on behalf of our client, the Association of Member-Directed Pension Schemes (AMPS), who have concerns over the regulator's unsatisfactory engagement with the SIPP industry in relation to key issues. AMPS are seeking a greater degree involvement which will pave the way for a stronger working relationship for dealing with all regulatory developments affecting the SIPP sector going forward.

Background

AMPS is a trade association representing over 200 firms involved with SIPPs in the UK, including around 90 SIPP operators. It is a validly constituted trade association that conducts business via its elected Committee.

AMPS' aim is to raise standards in the industry and the Committee appreciates the important role the regulator plays in ensuring market stability and protecting the interests of consumers at all times and has strived to play an important part in cascading information to its member firms, running educational seminars and has previously delivered a training session for Financial Services Authority (FSA) staff. The Committee has sought to engage with the FCA and its predecessor, the FSA through regular meetings. This has been supplemented by e-mail correspondence and formal responses to relevant Consultation Papers. There is a particular concern in relation to the Consultation noted above, the outcome of which will have a profound impact on consumer choice and protection.

Interactions with the Regulator

Since the publication of the Consultation, the Committee has sought to engage in meaningful discussions with the regulator about its proposals and the Committee's response. On 17 January 2013, the Committee met with the policy team dealing with the Consultation to further understand the work that the regulator had conducted in formulating its proposals. Whilst the representatives confirmed that the consultation was open and therefore valid alternatives could be proposed, they were not in a position to explain the basis and evidence underpinning the proposals.

The attendees from the AMPS Committee were informed that any suggested alternatives had to be supported by evidence and result in an appropriate outcome. In response to this, AMPS arranged a series of workshops with its membership to fully assess the implications of the Consultation. The meetings were attended by over 50 SIPP operators

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representing a significant majority of operators affected by the Consultation. Following these meetings, AMPS prepared a carefully considered response which was submitted to FSA on 21 February 2013.

Once the consultation period had closed, the Committee offered to provide a briefing on the substantive response submitted. The first meeting, scheduled for 21 March 2013, was cancelled by e-mail on 14 March. The next meeting was scheduled for 16 May 2013. In e-mail discussions prior to the 16 May meeting, the Committee were initially informed by e-mail on 30 April that although the policy team will attend the meeting, they were still considering responses received and were not in a position to comment as they were still developing their views ahead of the Policy Statement to be published later this year.

The following week on 5 May, the Committee was unexpectedly informed that the policy team had withdrawn from the meeting and had stated that should any questions arise from AMPS' response, they will request the information separately. To date, the Committee have not had any comments or any requests for information in relation to their response to the Consultation.

Next Steps

Whilst the Committee recognises the importance of the FCA being able to formulate regulatory policy independently, it also believes the FCA has a duty to properly engage with industry when complying with its statutory obligation to consult on changes to policy. This engagement is all the more important where the proposed changes have far reaching consequences for a sector as important as the UK SIPP industry. The desired outcome for both the industry and the regulator is a set of rules that are fit for purpose and achieve a balanced protection of consumers whilst facilitating innovation and competition in the personal pensions sector.

With this in mind, the AMPS Committee is available to meet representatives of the FCA for a genuine, open discussion of its response or any other aspects of the Consultation or indeed market intelligence that might be useful to the regulator in discharging its duty to properly consult and have due regard to representations made by AMPS as key stakeholders in the SIPP industry. The Committee is fully aware that there is recognition that the SIPP rules need revision to reflect developments in the sector.

In light of the very collaborative and helpful approach adopted by the FCA in preparing the recent Policy Statement 13/3, the Committee anticipates that at the appropriate time, the FCA will find an opportunity to review the draft final rules before the publication of the Policy Statement. This will allow the Committee to provide invaluable assistance to the FCA by identifying any potential difficulties or areas where further guidance or clarification would be helpful.

Our client has a Committee meeting scheduled for the morning of 17 of July 2013. We should like to report back on this date and so would like to have heard from you before then.



STEPHENSON HARWOOD

We should be grateful if you could address your response to Noline Matemera.

Yours sincerely

Stephenson Harwood LLP

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