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To: sharon.campbell@fsa.gov.uk

Cc: hilary.spivey@apcc.org.uk

Subject: Permissions and Applications Matters

Dear Sharon

I hope you are well.

Further to our discussion recently thank you firstly for your letter of 6 November a summary of which has been circulated to our members and placed on our website. I also welcome your very open approach to the issues you are experiencing and I know you are working very hard to improve turnarounds whilst at the same time reflect the more "intrusive supervision" regime that is being implemented.

We thought it would be appropriate to set out a summary of the feedback from our members. Ideally a face to face meeting would enable us to get these points over in context as in the pure written word they can be somewhat stark and direct. However, we are all very busy so I hope you accept these comments as constructive as they reflect current sentiment. As a trade body we do try to keep a balancing act between the particular interests of our members and the interests of the industry as a whole. I know no one is happy with the current position and we do understand that the permissions department is currently performing well within the statutory deadlines, the difficulty is that in the past the reasonable expectation of firms was that permission applications and variations would be dealt with within the two to three month period as set out on the FSA website subject to there being no unusual situations/investigations or complexity.

We have listed below the main questions and issues our members and their clients have arising from these processing delays.

- What is the average time now being taken to deal with applications and permission variations and do these vary over particular industry areas or complexity of applications. This information will at least allow firms to plan their applications and permission variations and any related commercial and business changes required so that the cost to the industry of these delays are minimised.
- Is there a plan to reduce the backlog of application and permission variations and are these dealt with on a first come first served basis or are these prioritised and if so, on what basis. Again this information will allow firms to plan their applications and permission variations and any related commercial and business changes required so that the cost to the industry of these delays are minimised.
- We understand that the staff complement within the permissions department has been reduced and that this has contributed to processing delays. If this is the case do you know when the permissions department will be back up to strength or is this a longer term reduction.

- We also understand that the teams within the authorisation department dealing with specialist areas have now been disbanded. If this is the case how are case officers being supported on these applications and what impact is this having on the quality and timeliness of the processing of these applications.

We understand that there are no instant solutions but hope you are able to feedback to the APCC so we can disseminate out further to members and their clients.

Finally, congratulations on your move I know you enjoy challenges and I am sure you will make a success of this one

I look forward to hearing from you in due course and I'll take this opportunity of wishing you a happy Christmas and New Year.

Kind regards

Simon Collins
Chairman

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