

FS REG

Legal and Regulatory Consultancy

FCA CHANGE IN CONTROL APPLICATIONS AND FREEDOM OF INFORMATION REQUEST: WHAT WE HAVE LEARNED

03/12/2017

In September 2017, FS REG (www.fsreg.com) submitted to the Financial Conduct Authority (“FCA”) a freedom of information request to obtain certain data and information about the change in control approval process that proposed controllers must go through before they can acquire or increase their control over FCA authorised firms.

FS REG received from the FCA a very comprehensive response, a copy of which is set out in the Appendix to this note.

In a nutshell, this is what we have learned:

1. “Complete” versus “Incomplete” Notifications

On average, 51% of change in control notifications received by the FCA are deemed to be incomplete upon submission. The data shows that the percentage of incomplete notifications has not increased over the past few years.

Accordingly, lawyers can advise their clients that, especially when a complex or significant change in control application is submitted to the FCA (e.g. in the context of a large M&A transaction), there is more than a 50% probability that the FCA will deem the application to be incomplete upon submission.

See Table 1 below.

TABLE 1 – NUMBER OF “COMPLETE” V. “INCOMPLETE” NOTIFICATIONS

	“Non-Consumer Credit” change in control notifications received	“Non-Consumer Credit” notifications acknowledged as COMPLETE on receipt	“Non-Consumer Credit” notifications acknowledged as INCOMPLETE on receipt	% of INCOMPLETE “Non- Consumer Credit” notifications
FY 2013/14	737	331	406	55%
FY 2014/15	798	415	383	48%
FY 2015/16	876	492	384	44%
FY 2016/17	908	400	508	56%
Q1 2017/18	225	104	121	54%
TOTAL/AVERAGE	3,544	1,742	1,802	51%

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2. Number of Working Days to Acknowledge Receipt

On average, the FCA takes 1.5 working days to acknowledge receipt of a “complete” notification and 3 working days to acknowledge receipt of an “incomplete” notification.

This means that, if the FCA has not acknowledged receipt of a change in control application after one and a half working days since the submission of the application, it is likely that the FCA will deem that application to be incomplete.

See Table 2 at the following page.

TABLE 2 – NUMBER OF WORKING DAYS TO ACKNOWLEDGE RECEIPT

	Average number of working days to acknowledge receipt	Average number of working days to acknowledge receipt – COMPLETE notifications	Average number of working days to acknowledge receipt – INCOMPLETE notifications
FY 2013/14	1.8	1.3	2.2
FY 2014/15	2.0	1.4	2.7
FY 2015/16	2.3	1.6	3.1
FY 2016/17	2.6	1.4	3.5
Q1 2017/18	2.6	1.6	3.5
AVERAGE	2.3	1.5	3

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The FCA was unable to confirm:

- (1) how many proposed controllers received upon submission an acknowledgement of receipt of an incomplete notification that did not specify what additional information the FCA required in order to deem their notification as complete; or
- (2) where such an acknowledgement had been given, how many working days the FCA took on average to specify what additional information it required.

The FCA has explained however that its usual expectation is that, where a case is acknowledged as incomplete on receipt, a case officer will request the missing information within a maximum of 10 or 15 working days.

This is consistent with the experience of FS REG, including in complex or substantial change in control cases.

3. Start of Assessment Period

The service standards published by the FCA in May 2017 show that, during the period from April 2016 to March 2017, the FCA determined 100% of Non-Consumer Credit change in control notifications within 60 working days of acknowledgment of receipt of a “complete” notification as required by section 189(1) of the Financial Services and Markets Act 2000 (“FSMA”).

We pointed out to the FCA that section 189(1) of FSMA does not actually refer to the acknowledgement of receipt of a “complete” notification but only to the acknowledgement of receipt of a “section 178 notice” (whether complete or incomplete) and asked the FCA to explain on what basis it takes the view that the statutory assessment period begins on the date the FCA acknowledges receipt of a “complete” notification.

The FCA told us that it takes that view because, under section 179(1) of FSMA, a “section 178 notice” must “be in such form, include such information and be accompanied by such documents as the appropriate regulator may reasonably require” and therefore a notice must be deemed by the FCA to be complete before the change in control assessment period can start.

The FCA referred also to paragraphs 9.1 and 9.2 of the “Joint Guidelines on the Prudential Assessment of Acquisitions and Increases of Qualifying Holdings in the Financial Sector” published by the European Supervisory Authorities on 20 December 2016, which seem to support the FCA’s interpretation.

While we are not entirely persuaded of the correctness of such interpretation, our freedom of information request has revealed that on average 91% of Non-Consumer Credit change in control notifications are in any case determined by the FCA within 60 working days of the acknowledgement of receipt (whether of a complete or incomplete notification). See Table 3 below.

This is consistent with the experience of FS REG, which shows that the FCA is able to determine even the most complex and substantial change in control cases within 6 to 8 weeks from submission of the relevant notification.

In our experience, even where it has taken several weeks to obtain from the FCA the acknowledgement of receipt of a complete notification, the FCA is able to grant its change in control approval within that 6 to 8 weeks' timeframe.

TABLE 3 – CASES DETERMINED WITHIN 60 WORKING DAYS OF ACKNOWLEDGEMENT OF RECEIPT

	"Non-Consumer Credit" change in control notifications received	Cases determined within 60 working days of acknowledgement of receipt (whether of a complete or incomplete notification)*	% of cases determined within 60 working days of acknowledgement of receipt (whether of a complete or incomplete notification)*
FY 2013/14	737	653	89%
FY 2014/15	798	749	94%
FY 2015/16	876	790	90%
FY 2016/17	908	820	90%
Q1 2017/18	225	199	88%
TOTAL	3,544	3,211	91%

* The above information does not take into account any interruption periods but instead measures the passage of time (in working days) between the date of the acknowledgement of receipt and the date of the FCA's determination.

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4. Unconditional Approvals, Conditional Approvals and Rejections of Approval

Our freedom of information request has revealed that conditional approvals and rejections of approval are extremely rare. During the period from 1 April 2013 to 30 June 2017, the FCA issued only:

- (1) one decision notice to approve a proposed acquisition of control subject to conditions;
- (2) six warning notices of a proposal to object to an acquisition of control; and
- (3) one decision notice to object to an acquisition of control.

The FCA has stated however that, even though only a small number of cases result in the issue of a formal notice using the above powers, there is a "substantially larger" number of cases where a proposed controller voluntarily withdraws its change in control application and such withdrawals are frequently seen in response to concerns raised by the FCA.

The FCA has explained that:

- (1) generally, before issuing a formal warning notice, it issues a letter to the notice-giver advising that it is minded to object to the transaction if the notification is not withdrawn;
- (2) having early discussions with notice-givers ahead of a formal objection allows the FCA to influence proposed controllers to take steps to address any issues identified;
- (3) where issues are not, or cannot be, addressed to the FCA's satisfaction, withdrawal of a notification is likely to represent a quicker and most cost-effective outcome both on the part of the FCA and the notice-giver.

The above means that the old debate as to whether the condition precedent in a share purchase agreement ("SPA") should refer to the purchaser having received from the FCA an "unconditional" approval (as opposed to "any" approval, which would include also a conditional approval) is, to a certain extent, superfluous.

It will be far more important to describe in the SPA the steps that a purchaser must be prepared to take in order to address any concerns raised by the FCA during the change in control approval process in order to obtain the required approval.

We did not ask the FCA to confirm the number of change in control applications that have been voluntarily withdrawn by applicants over the past few years but the data provided by the FCA in response to our question concerning conditional approvals and rejections of approval suggests that the number of applications that have been voluntarily withdrawn is as set out in Table 4 below.

TABLE 4 – VOLUNTARY WITHDRAWALS OF CHANGE IN CONTROL APPLICATIONS

	"Non-Consumer Credit" change in control notifications received (OFFICIAL DATA)	Number of "Non-Consumer Credit" change in control notifications received by the FCA which were approved unconditionally (OFFICIAL DATA)	Number of "Non-Consumer Credit" change in control notifications which were voluntarily withdrawn (FS REG ESTIMATE)	% of "Non-Consumer Credit" change in control notifications which were voluntarily withdrawn (FS REG ESTIMATE)
FY 2013/14	737	691	46	6%
FY 2014/15	798	754	43	5%
FY 2015/16	876	822	54	6%
FY 2016/17	908	845	62	7%
TOTAL/AVERAGE	3,544	3,309	205	6%

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5. Objections to a Person's Control, Restriction Notices and Court Applications

Our freedom of information request has revealed that, during the period from 1 April 2013 to 30 June 2017, the FCA has not:

- (1) issued any decision notice objecting, or any warning notice of a proposal to object, to a person's control over an FCA authorised firm under section 191A of FSMA;
- (2) issued any restriction notice under section 191B of FSMA imposing restrictions on the holding of shares or exercise of voting power by any person; or
- (3) made any application to the court under section 191C of FSMA for an order requiring the sale of shares or disposition of voting power by any person.

The above shows that the powers given to the FCA under sections 191A, 191B and 191C of FSMA are rarely (if ever) used.

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APPENDIX – FCA RESPONSE TO FREEDOM OF INFORMATION REQUEST

PART 1 – FIRST REQUEST

From: Freedom of Information [FCA]
Sent: 27 September 2017
To: Giuseppe Giusti [FS REG]
Subject: Right to know request

Dear Mr Giusti

Freedom of Information: Right to know request

Thank you for your request under the Freedom of Information Act 2000 (the Act), for information about published service standards in relation to notification of a proposed change in control. For full details of your request please refer to Annex A.

Your request has now been considered. I can confirm we hold information for points 1-4 and point 7. The relevant information can be found in Annex B. We do not hold any information for points 5 and 6.

Yours sincerely

Information Disclosure Team / Cyber and Information Resilience Department



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Annex A

Request received on 2 September 2017:

“One of the service standards published by the FCA is “Service Standard [R6.1] – Statutory - To make a decision after receiving a ‘complete’ notification of a proposed change in control”. The service standards published by the FCA in May 2017 show that, during the period from April 2016 to March 2017, such service standard was met in 100% of Consumer Credit and Non Consumer Credit cases.

We are preparing an analysis on change in control applications under FSMA and, for the purposes of our analysis, it would be extremely helpful to receive from the FCA under the Freedom of Information Act 2000 the following information in respect of each financial year since the FCA was established on 1 April 2013:

- 1. how many Non Consumer Credit change in control notifications were received by the FCA in the relevant financial year;*
- 2. how many proposed controllers in the relevant financial year received from the FCA upon submission a written acknowledgement of receipt of a ‘complete’ Non Consumer Credit change in control notification;*
- 3. how many proposed controllers in the relevant financial year received from the FCA upon submission a written acknowledgement of receipt of an ‘incomplete’ Non Consumer Credit change in control notification;*

4. on average:

a. how many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (whether the acknowledgement was of a 'complete' or 'incomplete' notification);

b. how many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (in cases where the acknowledgement was of a 'complete' notification);

c. how many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (in cases where the acknowledgement was of an 'incomplete' notification);

5. how many proposed controllers received from the FCA upon submission a written acknowledgement of receipt of an 'incomplete' Non Consumer Credit change in control notification without the acknowledgement specifying what additional information the FCA required in order to deem their notification as being 'complete';

6. on average, how many working days elapsed between the day a proposed controller received from the FCA upon submission a written acknowledgement of receipt of an 'incomplete' Non Consumer Credit change in control notification that did not specify what additional information the FCA required in order to deem their notification as being 'complete' and the day on which the proposed controller was notified of what additional information the FCA required in order to deem their notification as being 'complete'; and

7. how many Non Consumer Credit change in control notifications received in the relevant financial year were determined by the FCA within a period of 60 working days beginning with the day on which the FCA acknowledged in writing receipt of the relevant notification (whether the acknowledgment was of a 'complete' or an 'incomplete' notification).

If some of the above information is not easily available to the FCA, we would be happy for the FCA to provide the relevant information by reference only to a random sample of say 50 or ideally 100 Non Consumer Credit change in control notifications for each relevant financial year."

Annex B

Before responding to each of your questions I would like to explain we have made the following assumptions in relation to your request:

- For responses in relation to "Non Consumer Credit" applications we have included firms whose permissions include at least one non-consumer credit permission but excluded firms who only hold consumer credit permissions.

Where a single change in control notification relates to multiple target firms, the whole case has been included within "Non Consumer Credit" where at least one target firm is within this definition of "Non Consumer Credit".

- For responses in relation to "Change in Control notifications" we have included notifications of new controllers and increases but excluded decreases, cases involving no change in control (e.g. queries, cases submitted in error, duplicates, changes for which no approval is required), pre-applications, post-notifications (i.e. notifications which are submitted after the change has taken place and to which the statutory timescales in FSMA do not apply) and cases relating to firms authorised or registered under the Payment Services Regulations (to which the statutory timescales in FSMA do not apply).
- Where we refer to cases "Received by the FCA" we have included cases where the FCA is the administrative lead but excluded cases with dual-regulated target firms where the PRA is the administrative lead and formal decision-maker (in consultation with the FCA)

In all cases, notifications have been split into years according to the date that the notification was initially received and not the date on which written acknowledgement was sent or the date that the decision was made.

- All data is provided for each financial year starting 1 April and ending 31 March. For 2017, data is provided for the quarter starting 1 April and ending 30 June. Please note the date provided is current as at 5 September 2017.

I will now respond to each point in turn.

1. How many Non Consumer Credit change in control notifications were received by the FCA in the relevant financial year;

	“Non Consumer Credit” change in control notifications received
FY 2013/14	737
FY 2014/15	798
FY 2015/16	876
FY 2016/17	908
Q1 2017/18	225

2. How many proposed controllers in the relevant financial year received from the FCA upon submission a written acknowledgement of receipt of a ‘complete’ Non Consumer Credit change in control notification;

Please note this information is not held per controller. A single notification might itself include notifications from multiple controllers. The information is held per case.

	“Non Consumer Credit” notifications acknowledged as COMPLETE on receipt
FY 2013/14	331
FY 2014/15	415
FY 2015/16	492
FY 2016/17	400
Q1 2017/18	104

3. How many proposed controllers in the relevant financial year received from the FCA upon submission a written acknowledgement of receipt of an ‘incomplete’ Non Consumer Credit change in control notification;

Please note this information is not held per controller. A single notification might itself include notifications from multiple controllers. The information is held per case.

	“Non Consumer Credit” notifications acknowledged as INCOMPLETE on receipt
FY 2013/14	406

FY 2014/15	383
FY 2015/16	384
FY 2016/17	508
Q1 2017/18	121

4. On average:

a. how many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (whether the acknowledgement was of a ‘complete’ or ‘incomplete’ notification);

Note: Working days between two dates have been calculated in all cases using Excel’s NETWORKDAYS function, with provision made for standard UK bank holidays. Where a notification was acknowledged on the same day as receipt, this is counted as zero days. Cases acknowledged the day following receipt are counted as one day, and so on.

Note: Applications submitted to the FCA after 4pm are treated as being received the following working day. The date of receipt (and not the date of submission) is used in this calculation.

	Average number of working days to acknowledge receipt
FY 2013/14	1.8
FY 2014/15	2.0
FY 2015/16	2.3
FY 2016/17	2.6
Q1 2017/18	2.6

b. How many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (in cases where the acknowledgement was of a ‘complete’ notification);

	Average number of working days to acknowledge receipt – COMPLETE notifications
FY 2013/14	1.3
FY 2014/15	1.4
FY 2015/16	1.6
FY 2016/17	1.4
Q1 2017/18	1.6

c. How many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (in cases where the acknowledgement was of an ‘incomplete’ notification);

	Average number of working days to acknowledge receipt – INCOMPLETE notifications
FY 2013/14	2.2
FY 2014/15	2.7
FY 2015/16	3.1
FY 2016/17	3.5
Q1 2017/18	3.5

5. How many proposed controllers received from the FCA upon submission a written acknowledgement of receipt of an ‘incomplete’ Non Consumer Credit change in control notification without the acknowledgement specifying what additional information the FCA required in order to deem their notification as being ‘complete’;

This information is not held.

6. On average, how many working days elapsed between the day a proposed controller received from the FCA upon submission a written acknowledgement of receipt of an ‘incomplete’ Non Consumer Credit change in control notification that did not specify what additional information the FCA required in order to deem their notification as being ‘complete’ and the day on which the proposed controller was notified of what additional information the FCA required in order to deem their notification as being ‘complete’; and

This information is not held.

However, in the interests of helpfulness, we can confirm that our usual expectation is that where a case is acknowledged as incomplete on receipt, a case officer will request the missing information within a maximum of 10 or 15 working days depending on case volumes and the extent of the missing information.

7. How many Non Consumer Credit change in control notifications received in the relevant financial year were determined by the FCA within a period of 60 working days beginning with the day on which the FCA acknowledged in writing receipt of the relevant notification (whether the acknowledgment was of a ‘complete’ or an ‘incomplete’ notification).

Please note the information provided here does not take into account any interruption periods but instead measures the passage of time (in working days) between the two events.

	Cases determined within 60 working days of ack. of receipt
FY 2013/14	653
FY 2014/15	749
FY 2015/16	790
FY 2016/17	820
Q1 2017/18	199

	Cases determined within 60 working days of ack. of receipt – COMPLETE notifications
FY 2013/14	327

FY 2014/15	411
FY 2015/16	486
FY 2016/17	393
Q1 2017/18	102

	Cases determined within 60 working days of ack. of receipt – INCOMPLETE notifications
FY 2013/14	326
FY 2014/15	338
FY 2015/16	304
FY 2016/17	427
Q1 2017/18	97

Under s189(1) Financial Services and Markets Act 2000 ('FSMA'), the FCA must determine a change in control notification within 60 working days from the day when the notification is acknowledged as complete. This period can be interrupted once for a maximum of 30 working days in order to request further information from the notice-giver. This means that in some cases the statutory assessment period will expire more than 60 working days after the application is initially acknowledged to be complete.

In the interests of helpfulness, the tables below indicate the number of cases determined within 60 working days of the acknowledgement of the notification, with interruption periods taken into account.

	Cases determined within 60 working days of ack. of receipt (excluding interruption periods)
FY 2013/14	659
FY 2014/15	753
FY 2015/16	802
FY 2016/17	827
Q1 2017/18	200

	Cases determined within 60 working days of ack. of receipt (excluding interruption periods) – COMPLETE notifications
FY 2013/14	330
FY 2014/15	414
FY 2015/16	492
FY 2016/17	394
Q1 2017/18	102

	Cases determined within 60 working days of ack. of receipt (excluding interruption periods) – INCOMPLETE notifications
FY 2013/14	329
FY 2014/15	339
FY 2015/16	310
FY 2016/17	433
Q1 2017/18	98

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PART 2 – SECOND REQUEST

From: Freedom of Information [FCA]
Sent: 10 November 2017 12:36
To: Giuseppe Giusti [FS REG]
Cc: Freedom of Information
Subject: Freedom of Information: Right to know request

Dear Mr Giusti

We refer to your email of 22 October 2017 with additional questions following our response to your FOI request.

Your request has now been considered. Please note that, as points 1 and 2 asked for an explanation rather than for recorded information, we have processed them as ‘routine correspondence’ rather than as requests for information under the Freedom of Information Act 2000 (“the Act”). Points 3 and 4 were requests for new information so have been processed under the Act under a new reference.

We will address each point in turn.

1. *The data provided in section 1 of Annex B below does not appear to match the data contained in the service standards published by the FCA. For example, you state below that in FY 2016/17 the FCA received 908 “Non Consumer Credit” change in control notifications. The service standards published by the FCA for May 2017 (attached for ease of reference) state however (see R6.1) that there were 1,035 “Non Consumer Credit” change in control cases in FY 2016/2017. How do you explain this difference?*

It is likely that the different numbers reflect slightly different assumptions around which cases form the population being reported on. For example, the original FOIA request submitted concerned notifications “received by the FCA”. As set out in the assumptions that formed part of our response, we therefore excluded from the initial response cases relating to dual-regulated firms where the PRA is the administrative lead and formal decision-maker. However, we believe that these cases are likely to be included within the Service Standards publication.

In addition, please note that cases are split into years in the Service Standards publication based on the date on which the case was closed. This FOIA data, by comparison (and in line with our understanding of the original request), split the cases into years based on the date of initial receipt. So a case received in March 2014 and determined in May 2014, for example, will be reported in the Service Standards for 2014/15 but has been included within the 2013/14 cohort in this FOIA response.

2. *You state below that, under section 189(1) of FSMA, the FCA must determine a change in control notification within 60 working days from the day when the notification is acknowledged as complete, which rule I believe is used by the FCA also for the purpose of calculating its service standard R6.1. Section 189(1) of FSMA, however, does not refer to the acknowledgement of receipt of a “complete” notification but only to the acknowledgement of receipt of a section 178 notification (whether complete or incomplete). Please can you explain on what basis the FCA takes the view that the statutory assessment period begins on the date the FCA acknowledges receipt of a “complete” notification?*

Section 189(1) requires us to act under section 185 within “60 working days beginning with the day on which the appropriate regulator acknowledges receipt of the section 178 notice (“the assessment period”)”. The ‘appropriate regulator’ here is the FCA where the UK authorised person being acquired is authorised by the FCA.

A “section 178 notice” for these purposes must, as required by section 179(1), “be in such form, include such information and be accompanied by such documents as the appropriate regulator may reasonably require”. Under section 180, “the appropriate regulator must acknowledge receipt of a completed section 178 notice in writing before the end of the second working day following receipt. If the appropriate regulator receives an incomplete section 178 notice it must inform the section 178 notice-giver as soon as reasonably practicable”. In other words, the notice must be complete prior to our formal

acknowledgement to start the assessment period. In relation to acquisitions over certain EU Directive firms, the Level 3 Guidelines to the Acquisitions Directive provides a further explanation (see para 9.1-9.2 on pages 19-20).

3. Please can you provide the additional information requested in the table below:

The relevant information can be found in the shaded section of the table.

	<i>Total number of “Non-Consumer Credit” change in control notifications received by the FCA</i>	<i>Number of “Non-Consumer Credit” change in control notifications received by the FCA which were approved unconditionally in the first instance under sections 185(1)(a) and 189(4)(a) of FSMA</i>	<i>Number of “Non-Consumer Credit” change in control notifications received by the FCA in which a warning notice was issued of a proposal to approve the acquisition subject to conditions under any of the following:</i> <ul style="list-style-type: none"> <i>section 185(1)(b)(i) of FSMA;</i> <i>section 187 of FSMA; and</i> <i>section 189(4)(b)(i) of FSMA</i> 	<i>Number of “Non-Consumer Credit” change in control notifications received by the FCA in which a decision notice was issued of an approval subject to conditions under section 189(7) of FSMA</i>	<i>Number of “Non-Consumer Credit” change in control notifications received by the FCA in which a warning notice was issued of a proposal to object to an acquisition under any of the following:</i> <ul style="list-style-type: none"> <i>section 185(1)(b)(ii) of FSMA; and</i> <i>section 189(4)(b)(ii) of FSMA</i> 	<i>Number of “Non-Consumer Credit” change in control notifications received by the FCA in which a decision notice was issued of an objection to an acquisition under section 189(7) of FSMA</i>
<i>FY 2013/14</i>	737	691	0	0	0	0
<i>FY 2014/15</i>	798	754	0	0	2	1
<i>FY 2015/16</i>	876	822	0	0	2	0
<i>FY 2016/17</i>	908	845	0	1	2	0

<i>Q1 2017/ 18</i>	225	197	0	0	0	0
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Please note a single notification might itself include notifications from multiple controllers. The information is held and reported here per case, not per controller as this information is not held. This means that one case might encompass a number of notices issued to multiple notice-givers.

The table shows that only a small number of cases result in the issue of a formal notice using the specified powers. The table does not include the substantially larger number of cases where a proposed controller voluntarily withdraws their s178 notification. Such withdrawals may take place at a number of stages during the case's assessment, but are frequently seen in response to concerns raised by the FCA. Generally, before issuing a formal warning notice the FCA will issue a letter to the notice-giver advising that it is minded to object to the transaction if the notification is not withdrawn. Having early discussions with notice-givers ahead of formal objection action allows the FCA to influence proposed controllers to take steps to address issues. Where issues are not, or cannot be, addressed to the FCA's satisfaction, withdrawal of a notification is likely to represent a quicker and most cost-effective outcome both the part of the FCA and the notice-giver.

4. *Lastly, please can you provide the additional information requested in the table below:*

The relevant information can be found in the shaded section of the table.

	<i>Number of warning notices issued by the FCA under section 191A of FSMA of a proposal to object to a person's control over a UK authorised person</i>	<i>Number of decision notices issued by the FCA under section 191A of FSMA objecting to a person's control over a UK authorised person</i>	<i>Number of restriction notices issued by the FCA under section 191B of FSMA</i>	<i>Number of applications made by the FCA to the court under section 191C of FSMA</i>
<i>FY 2013/14</i>	0	0	0	0
<i>FY 2014/15</i>	0	0	0	0
<i>FY 2015/16</i>	0	0	0	0
<i>FY 2016/17</i>	0	0	0	0
<i>Q1 2017/18</i>	0	0	0	0

The FCA has not needed to use the formal powers specified during the period in question.

Where the FCA has concerns about a person's control over a UK authorised person, we will consider making appropriate use of all of our regulatory and supervisory tools. This is not limited to the exercise of formal powers; influencing firms using other tools may achieve appropriate outcomes and, as above, may represent a more cost-effective approach.

We trust this satisfies your request.

Yours sincerely

Information Disclosure Team

Financial Conduct Authority

Your right to complain under the FoI Act

If you are unhappy with the decision made in relation to your request, you have the right to request an internal review. If you wish to exercise this right you should contact us within three months of the date of this response.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner at Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Telephone: 01625 545 700. Website: www.ico.org.uk

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