



REFORMING THE SENIOR MANAGERS AND CERTIFICATION REGIME

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ICAEW welcomes the opportunity to comment on the Reforming the Senior Managers and Certification Regime published by HM Treasury on 15 July 2025, a copy of which is available from [this link](#).

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ANSWERS TO SPECIFIC QUESTIONS

Question 3. Do you believe there are risks or unintended consequences if the Certification Regime is removed from FSMA 2000, and replaced with regulator rules? For example, how would it impact consumer protection, market integrity, safety and soundness, and policyholder protection?

1. We acknowledge the policy objective to reduce regulatory cost to firms that underpins the removal of the Certification Regime. We agree that removal of the regime needs to coincide with giving powers to the regulators to develop an alternative approach so that the system's ability to detect and respond to systemic risks is not reduced.

Question 7. Do you have any comments on the likely costs and benefits of removing the Certification Regime from legislation and replacing it with a more proportionate regime, at this stage?

2. A more proportionate regime should reduce costs but the extent that firms will benefit will likely vary depending on factors such as
 - how much change a firm needs to make to its internal processes and systems that have been designed to comply with the SM&CR;
 - the volume of staff in certified roles; and
 - the turnover of such staff.
3. Some firms may experience few of the intended benefits of the changes.

Question 9. In addition, do you agree with the proposal to give the regulators flexibility to reduce the number of roles within the regime for which pre-approval is required?

4. The existing number of senior manager roles was designed to provide effective oversight and accountability. Regulators' use of the proposed flexibility should be required to adhere to certain common principles so that consumer confidence and financial stability are not compromised. Regulatory protections must not be diluted in ways that compromise consumer confidence or financial stability.

Question 14. What are the types of change for which an update to the Statement of Responsibilities is currently required, that you consider to be disproportionate?

5. Our members do not find the maintenance and updating of Statement of Responsibilities burdensome. Nevertheless, we would support allowing the regulators the flexibility to adopt a more proportionate approach.

17. Do you face, or have you faced, any specific obstacles in trying to recruit internationally for senior manager roles?

18. If so, which are the key obstacles that would not be addressed by the reforms proposed in either this consultation or by the consultations the regulators have published in parallel?

6. ICAEW member firms do not tend to recruit externally for senior manager roles. Even if so, it would unlikely be internationally, so they would not be aware of the challenges of recruiting internationally.