

Appendix 6: Data

In the interest of clarity, we have changed the reporting format of Appendix 6 this year, in order to offer greater transparency with regard to the number of regulated firms and the type of activity being conducted in the UK.

Part 1 will focus on UK authorised firms and Part 2 on EEA Authorised firms passporting into the UK.

Firm business type	Personal Investment	Investment Management	Securities & Futures	Bank (inc Building Societies) ³	Insurance Companies ⁴	General Insurance Brokers	Home Finance Business/Mortgage	Professional firms	Credit Union	Other ⁵	
Authorised	5,194	2,218	965	280	523	5,815	1,530	254	598	1,096	18,473

Notes:

- Figures are as at 31 March 2013.
- Business type figures based on the FSA Firm Primary Category type.
- Bank figures include 47 Building Societies, with the number of Banks totalling 233.
- The Insurance Companies figures includes 68 Lloyd's Members' agents, Lloyd's Managing agents and Lloyd's agents.
- "Other" Category includes: Life Insurer, Composite Insurer, Advising and Arranging Intermediary (exc. FA & Stockbroker), CIS Administrator, CIS Trustee, Service Company, Media Firm, General Insurer, Arranging only Intermediary (exc. Stockbroker), Financial Adviser (FA), Discretionary Investment Manager, Dormant Account Fund Operator, General Insurance Intermediary. There are 119 Friendly Societies.
- There are also 322 Authorised Payment Institutions and 882 Small Payment institutions registered under the Payment Services Directive, of which 3 SPI and 12 API firms are currently UK Authorised firms.
- Appendix 7 2011/12 FSA Annual Report (UK incorporated banks). There was an inclusion in error of 176 credit unions in the figures for 2011/12. The figures also included 3 firms that were no longer banks as at 31st March 2012.

Banks

Banks (Wholesale or Retail)

1. UK Incor	153
2. Non-EEA Branch	80
Total	233

Insurance sector

Insurance companies	1. Life	2. Composite	3. General	4. Lloyds	
1. UK Firm	90	14	299	68	471
2. Non-EEA Companies	5	0	47	0	52
Total	95	14	346	68	523

Inward EEA passports

Total number of EEA authorised firms with passports: 6,986

Please note that firms can have both a *freedom of services** passport and a *freedom of establishment*** passport.

Firms may also be able to passport under more than one directive. The table below shows the number of passports held by EEA authorised firms.

The passports held by these firms consist of:

	3rd Life Directive	3rd Non-Life Directive	Banking Consolidation Directive	Insurance Mediation	Markets in Financial Instruments Directive	Payment Services Directive	Reinsurance Directive	UCITS IV Directive	UCITS Management Directive		
1. Freedom of Establishment	8	61	104	54	53	6	10	7	1	304	
2. Freedom of Services Only	168	487	435	4,993	590	39	0	46	7	6,765	
Total	176	548	539	5,047	643	45	10	53	8	7,069	

Approved persons at 31 March 2012

Number of Approved Persons (Active) = **149,626**
(4.2% decrease from 31/03/2012)

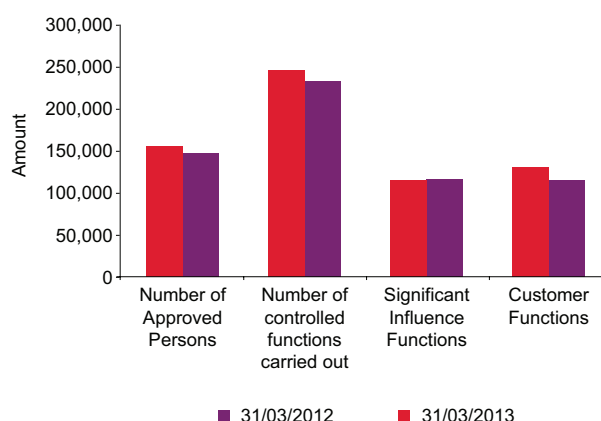
Number of controlled functions carried out by approved persons = **238,310**
(2.9% decrease from 31/03/2012), of which:

Significant Influence Functions = **116,293**
(1.4% increase from 31/03/2012); and

Customer Functions = **122,017**
(6.6% decrease from 31/03/2013).

* Activities being carried out from the EEA into the UK.

** Activities being carried out by means of a physical presence in the UK.

Approved Persons (Active) comparison 2011-12**Collective Investment Schemes (CIS)**

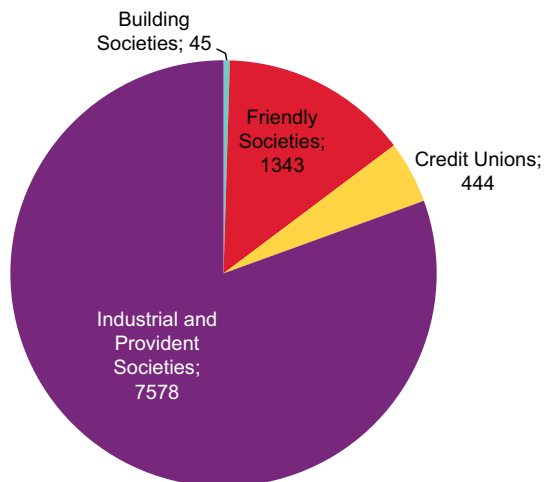
	Unit trusts	ICVCs	Offshore schemes	Total
01-Apr-12	740	615	640	1995
New Authorisations	24	24	85	133
Terminations	91	28	30	149
31-Mar-13	731	619	698	2048
31 Mar 2013	235	2337	5491	8063

In 2012/13, we also approved 1,351 changes to existing schemes.

Industrial and Provident Societies (Registered under the Industrial and Provident Societies Act 1965)	Societies registered under the Friendly Societies Acts 1972 & 1992 (includes 'friendly societies'; 'working men's clubs'; 'benevolent societies' and 'specially authorised societies' – but not branches)	Credit Unions (Registered as 'credit unions' under the Industrial and Provident Societies Act 1965)	Building Societies (Registered under the Building Societies Act 1986)
7,578 (8,022: 2012)	1343 (1,505: 2012)	444 (481: 2012)	45 (48: 2012)

Note: These categories are based on the legislation under which an entity is incorporated or registered. As a result, they may not match the FSA Firm Category Type used to determine the overall breakdown of firm types.

Mutual Societies 2012/13



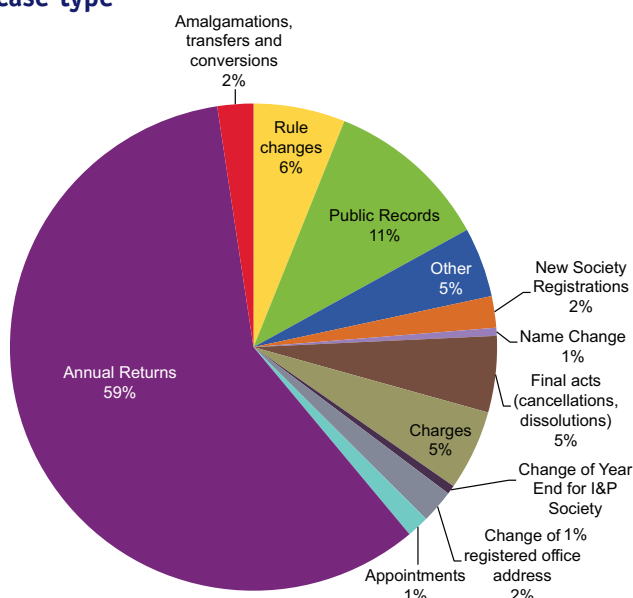
The overall reduction in the number of societies is in part down to us cancelling the registration of societies who for several years have failed to submit annual returns and accounts. In 2012-13 this resulted to the cancellation of 556 societies. Other reasons for reductions in the number of societies registered include amalgamations and transfers of engagement.

During the year we completed 5,943 cases concerning registration matters for mutual societies. These included applications such as rule changes, recording charges, amalgamations, cancellations and new registrations. Only a small percentage (2%) of the cases led to the creation of a new society. The number of new registrations has however increased by 21% compared to 2011-2012.

We completed 11,468 annual return cases, which arrive throughout the year. As in previous years we wrote to societies reminding them of the need to submit annual returns and accounts.

We also completed 2,134 cases providing the public with access to society files – either in person, or by way of paper or electronic copies.

Case type



In 2011 we upgraded what was then the FSA Mutuals Register to enable people to download society documents for a fee. Since then we have seen considerable usage of the Mutuals Register for this purpose. As we move forward we are adding increasing numbers of documents to the online register and are continuing to make improvements to our systems to provide more information and to increase efficiency.

Regulatory Decisions Committee

The Regulatory Decisions Committee (RDC) decides whether to give statutory and other notices described as within its scope by the Handbook. It provides the separation of function required by the Financial Services and Markets Act (FSMA) of investigation and recommendation functions from the making of decisions and issuing of statutory notices.

The Board established the RDC and appoints its chairman and members, who represent the public interest and are drawn from practitioners and non-practitioners in contested cases.

Authorisation refusal cases where the applicant (firm or individual) chose to make representations against a warning notice issued by the FSA executive

	2012/13	2011/12
Brought forward	2	3
New cases	1	7
Total:		10
Applications refused	1	2
Applications referred back to the FSA executive for reconsideration	1	-
Applications withdrawn by applicant before determination	-	2
Applications withdrawn by the FSA executive before determination	1	4
Carried forward	-	2

Enforcement cases (firms and individuals)	2012/13	2011/12
Brought forward	35	033
New cases	131	123
Total:	166	156
Enforcement/disciplinary action taken	88	94
Cases referred back to the FSA executive for reconsideration	2	4
Cases discontinued by the FSA executive	29	23
Carried forward	47	35

Listing Rules cases	2012/13	2011/12
Brought forward	1	6
New cases	1	1
Total:	2	7
Disciplinary action taken	2	6
Cases discontinued	-	-
Carried forward	-	1

Commencement of civil/criminal proceedings (firms and individuals)	2012/13	2011/12
Recommendations by the FSA executive to commence proceedings	23	37
Authority granted to the FSA executive to commence proceedings	22	37
RDC authority not required and withdrawn by the FCA executive	1	-

Other cases	2012/13	2011/12
Disciplinary actions considered by the RDC in relation to:		31
Firms that failed to submit a Retail Mediation Activities Return	Included in Enforcement cases above	5
Firms that failed to submit a Payment Services Directive Transactions Return.		

Skilled persons' reports

Section 166 of FSMA gives us the power to commission reports by 'skilled persons'. We use this power to obtain an independent view of aspects of a firm's activities that cause us concern.

We used the power in 113 cases in 2012/13 (2011/12: 111 cases).

Of the 113 cases noted above, one significant Skilled Person Report was commissioned just prior to the year-end date and we do not yet have reliable cost estimates. The total costs to the firms and individuals concerned for the remaining 112 cases were £176.4m (2011/12: £31.2m). The costs per report ranged from £6,475 to £40.0m (2011/12: £2,975 to £3.0m).

In 2012/13, 14 of the 113 Skilled Person Reports commissioned were in relation to the review of Interest Rate Hedging Products, where independent reviewers under s166 have been appointed to review all aspects of the proactive redress exercise and past business review being carried out by the firms. The costs of those Skilled Person Reports represented £141.5m of the total £176.4m for the year with costs ranging from £140,000 to £40.0m, such that the total cost of cases not related to this exceptional programme were £34.9m.

The costs shown above include actual costs incurred by the firm or individual concerned or an estimate where actual costs are not yet available.

The reports examined a number of regulatory concerns including:

- review of past business and quality of advice;
- adequacy of systems and controls (including compliance and risk management);
- corporate governance and senior management arrangements;
- financial crime including market abuse controls;
- client money and client asset arrangements; and
- effectiveness of control functions.

Designated professional bodies in the UK at 31 March 2012

The Association of Chartered Certified Accountants

The Council for Licensed Conveyancers

Institute of Actuaries

The Institute of Chartered Accountants in England & Wales

The Institute of Chartered Accountants of Scotland

The Institute of Chartered Accountants in Ireland

The Law Society of England and Wales

The Law Society of Northern Ireland

The Law Society of Scotland

The Royal Institution of Chartered Surveyors

Recognised Investment Exchanges	Recognised Clearing Houses
ICE Futures Europe	CME Clearing Europe Limited
ICAP Securities & Derivatives Exchange Limited	Euroclear UK & Ireland Limited
LIFFE Administration and Management	European Central Counterparty Ltd
London Stock Exchange plc	ICE Clear Europe Limited
The London Metal Exchange Limited	LCH.Clearnet Limited

Listing activity in 2012/13

Over the last 12 months we have approved approximately 1,500 transactions and within this there have been a number of significant changes in types of documents submitted to us for review and approval reflecting the changes in corporate activity during the period. In particular, the number of prospectuses approved for new applicants to the Official List has fallen by 22% compared to last year, although the number of further equity issues approved has increased by just over 30%. Similarly, the number of convertible bond prospectuses has risen threefold in the period, whilst the number of debt issuance programmes has fallen by 20%.

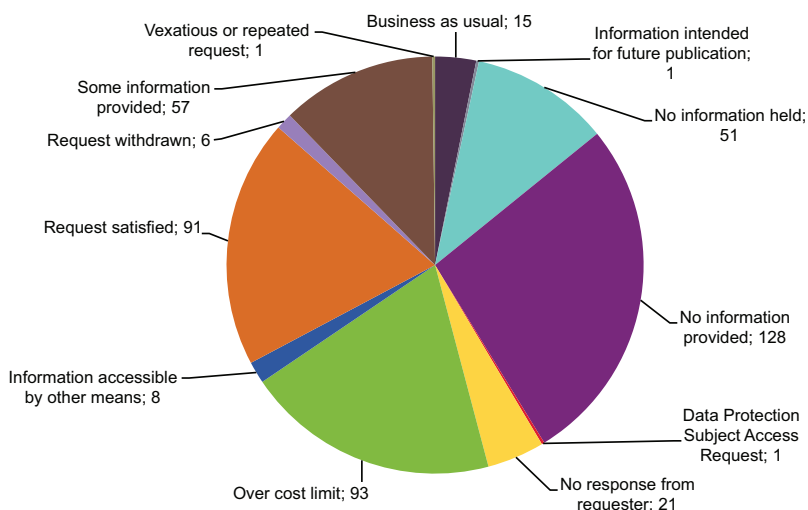
Freedom of Information

Volume of requests in 2012/13

The Freedom of Information Act 2000 (FOIA) requires us to respond to requests for information within 20 working days in most circumstances. During 2011/12, we received 458 new requests and closed a total of 473 requests (including 43 carried over from 2010/11) – 93% within the statutory deadline compared with an average of 93% achieved by organisations monitored by the Ministry of Justice between April and September 2012. We disclosed material in 40% of cases where we held the information requested compared to 48% in 2011/12.

During 2012/13, we received the highest number of requests since the Act was implemented (January 2005) with the number of requests increasing by approximately 9% from 2011/12. Many requests related to high profile, complex and sensitive issues which attracted media coverage, such as information about LIBOR and interest rate swaps agreements, whistleblowing investigations, mis-selling of PPI, staff salaries and bonuses, section 166/Skilled Person reports and matters related to organisations such as Crown Currency Exchange, Barclays Bank, RBS and Dunedin Independent.

Breakdown of the 429 closed FOIA cases



Appeals against our decisions about disclosure

If a requester is unhappy with the response provided, or the way their request has been handled, we review the case. Once our internal review process has been exhausted, the requester can complain to the Information Commissioner's Office (ICO) if they are still not satisfied.

During the year, we received 34 requests for internal reviews, while six requests were carried over from 2011/12. Of these 40, 37 were addressed by the ICO within the year, with us providing further information to the requester on four occasions. The ICO also notified us of nine new complaints during the year (in addition to the seven complaints carried over from the previous year). Of these 16 complaints, 10 were concluded throughout the year, the majority of which were found in FSA's favour.

If any party is unhappy with the ICO's decision they can appeal to the First Tier (Information Rights) Tribunal and following that, if still dissatisfied, to the Upper Tribunal (but only on a point of law and with permission). The Information Rights Tribunal received two new appeals against ICO decisions that had been in our favour and also considered one remaining appeal carried forward from 2011/12. One appeal is currently being considered on the papers (we have not (yet) been joined to the appeal), one appeal was struck out, as there was no reasonable prospect of success and the remaining appeal was partially upheld in favour of the requester. We and the ICO appealed this last decision to the Upper Tribunal, which overruled the Information Rights Tribunal and so reinstated the ICO's original decision that section 40 (personal data) applied to the requested information. One other appeal to the Upper Tribunal, carried forward from 2011/12, upheld the Information Rights Tribunal decision, which found that the ICO should have considered Section 14 (repeated and vexatious requests) in the first instance rather than Section 40 (personal data).

Data Protection

Volume of requests made under the Data Protection Act in 2012/13

We are classed as a Data Controller under the DPA 1998. In order to comply with the DPA, we are required to notify the ICO each year of ways in which we process personal data. We submitted our annual notification to the ICO in November, which can be viewed on their website.

We must respond, within 40 calendar days, to Subject Access Requests made by individuals who want to know what information we hold about them. During the year we received 80 Subject Access Requests (compared to 105 in 2011/12) and responded to 76 (including several carried forward from 2011/12), all within the statutory period. Eight requests remain outstanding.

Costs

We estimate that processing requests under FoIA and Data Protection, including time spent by business areas and Tribunal appeals, has cost approximately £825,000 in 2012/13 (compared to £1,000,000 for 2011/12). We cannot recover this expenditure from the requesters because there is very limited scope within FoIA and the DPA to charge for information. We have managed to reduce costs by only using external lawyers on complex requests and appeals (£9,846 in 2012/13) and reducing the team's overall resources.

