

## **HMT consultation on regulatory changes**

Peter Vipond, ABI's Director of Financial Regulation and Taxation said:

“The proposed new Prudential Regulation Authority (PRA) must have a statutory commitment to consult with industry before the introduction of any new rules. It is a strength of the UK that industry currently has input on regulatory changes an early stage. This must be continued in the new system, whatever final shape it takes. Regulators have to be accountable to the industry for the rules they implement and the decisions they make.

There is also a danger that changing the structure will impact on current regulatory initiatives. This needs careful management, in light of projects such as Solvency II and the Retail Distribution Review, so consumers and businesses do not suffer.

With so many changes outlined today, more effort will be needed to ensure the new regulatory authorities will be truly joined-up, with no overlaps or underlaps. This will benefit all.”