

12 Endeavour Square
London
E20 1JN

Tel: +44 (0)20 7066 1000
Fax: +44 (0)20 7066 1099
www.fca.org.uk

12 April 2024

Our Ref: 240326E

Chris Law MP
House of Commons
London
SW1A 0AA

Dear Mr. Law

Re: PQ Transfer - 20321

His Majesty's Treasury (HMT) transferred your parliamentary question on 26 March to us for answer. You lodged question 20321, to ask the Chancellor of the Exchequer, what criteria the Financial Conduct Authority uses to decide what markets to (a) monitor and (b) intervene in.

The activities the FCA regulates are primarily set out in the Financial Services and Markets Act 2000 (Regulated Activities) Order (the RAO). The RAO contains the financial services activities, known as 'regulated activities', that require FCA authorisation before firms or individuals can carry them out. The RAO also sets out some regulated activities which need FCA authorisation if they involve certain financial products, such as shares, debt instruments, fund units and derivatives.

The FCA publishes a Perimeter Report, available [here](#).¹ The report provides more details about how its perimeter is determined, including the legislation that defines it, and how the Financial Services & Markets Act 2023 affects its remit and responsibilities.

This perimeter largely determines which markets the FCA monitors and intervenes in. The Report also explains its role in relation to unregulated activities.

I hope this is helpful.

Yours sincerely,



Greg Sachrajda
Director of Cross-Cutting Strategy and Policy

¹ <https://www.fca.org.uk/publications/annual-reports/perimeter-report#lf-chapter-id-what-we-regulate>