

19 December 2023

Governance and Cross-Cutting Standards Policy Team
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

Re: Consultation Paper CP23/20: Diversity and inclusion in the financial sector – *working together to drive change*

Dear Sir or Madam

The Standards Board for Alternative Investments (“SBAI”) welcomes the opportunity to respond to the Financial Conduct Authority’s (“FCA”) Consultation Paper CP23/20 on Diversity and inclusion in the financial sector – *working together to drive change* (“CP”).¹

At the SBAI we are an active alliance of managers and investors dedicated to advancing responsible practices, partnership, and knowledge in the alternatives industry. At our core is a community that is committed to knowledge sharing, informed dialogue, and innovation. We set clear standards and actively promote responsible practice to normalise quality and fairness. Together, our community of allocators and managers create real world solutions – in short, we solve for better.

The SBAI Alternative Investment Standards are supported globally by more than 150 alternative investment managers with over US\$2 trillion in alternative assets under management and by more than 100 institutional investors, overseeing US\$6 trillion in assets.

We are supportive of the FCA’s intentions outlined in the consultation paper and agree that “*diversity of thought and inclusive behaviours in financial services will help to deliver better consumer and market outcomes*”. In fact, for a globally competitive, performance-driven industry such as (alternative) investments, the talent pool has never been locally constrained as firms seek to attract the best talent globally – which naturally brings together diverse global perspectives. The openness of London for international talent is indeed a key success factor and one reason why the UK, and specifically London, is among the leading global financial centres for (alternative) asset management.

¹ FCA CP23/20: *Diversity and inclusion in the financial sector – working together to drive change*, accessible here: <https://www.fca.org.uk/publication/consultation/cp23-20.pdf>

1. SBAI Approach to Culture & Diversity

As part of our mission to increase collaboration between asset managers and institutional investors to improve industry outcomes, we have a dedicated Culture & Diversity Working Group, which consists of over 110 representatives from more than 70 investment organisations from around the globe. This working group has produced industry guidance in areas including:

1. [Principles of culture and diversity strategies](#) within organisations
2. Looking [beyond the metrics: demonstrating and assessing diversity in smaller asset managers](#)
3. How [institutional investors can assess and increase diversity](#) in their portfolios
4. The [role and importance of culture](#) in an organisation and how institutional investors can seek to due diligence the internal culture of their underlying managers

The SBAI's *Principles of Culture & Diversity Strategies* set the practical framework to help guide the thought processes of organisations – covering the areas of Leadership, Strategy, Communication, Policies, and Inclusion. We believe that challenges firms encounter in the areas of culture and diversity should not be reduced to a singular focus on quantitative metrics, and our guidance on *Demonstrating and Assessing Diversity in Smaller Asset Managers* provides perspectives on broader initiatives that firms can undertake to address their unique challenges and commitment to principles that foster a positive and inclusive working environment.

This year, recruitment and development of talent pipelines has been an area of focus within our working group – which has included ways to expand the pool of applicants, being open to rethinking job prospects and recruitment pathways, and considering how different (diverse) skillsets can augment better outcomes on teams and ultimately deliver better results for clients. Our most recent Culture & Diversity memo, titled *Culture Matters*, explored how respect, integrity, and openness serve as pillars of company culture and can help reduce the risk of inappropriate conduct – which the FCA seeks to address as part of this CP.

Alongside our Culture & Diversity initiative, we further support a competitive and dynamic (alternative) investment industry through our programme for emerging managers ('SPARK'). New entrants are vital to maintain a vibrant marketplace, bring innovation and competition to the industry, and provide more investment choices for allocators which ultimately expands the investment universe and should improve consumer outcomes as is the goal of the FCA.

In recent years, we have found that our stakeholder community of investment managers and institutional investors are increasingly focussed on fostering diverse and inclusive workplaces to be part of the solution for a more inclusive industry overall – including participating in a number of initiatives both internal to the SBAI along with other bodies globally such as the Diversity Project, Investor Leadership Network (ILN), Institutional Allocators for Diversity, Equity & Inclusion (IADEI), and many more. We have seen firsthand how approaches will differ significantly by firm, as a function of many variables such as firm size, type of strategy, growth trajectory, ownership structure – with each firm facing different challenges.

In these discussions, there has been a realisation that an approach that is too narrowly centred around “demographic metrics” is unlikely to further inclusion outcomes, or client outcomes. To maximise the potential of all employees, regardless of their background, individuals must feel empowered to speak up (e.g., to voice ideas for innovation or even in cases of misconduct, financial or otherwise) and be supported by their teams and leaders to do so. In other words, inclusivity goes far beyond tracking employee demographics.

We would welcome the chance to share the feedback and potential solutions that have been discussed within our community with the FCA on this important topic.

2. Specific Observations

The SBAI has always supported regulation that provides better outcomes for investors/consumers, including the sentiment behind the CP – as **all will agree that promoting healthy work cultures, reducing groupthink, unlocking talent, understanding consumer needs, and facilitating consumer access are all positive objectives that could be applied to many, if not all, sectors of the UK economy** (so, it is not a unique aspect solely relevant for a financial regulator). However, the SBAI has also raised concerns in the past about regulations that do not improve outcomes, or worse, result in inferior outcomes for consumers, as well regulation that imposes unnecessary cost on the investment sector (and its clients).²

As an industry standard setter and collaborative platform, the SBAI has its own mechanisms for improving outcomes and complementing the efforts of regulators through the Alternative Investment Standards³ and industry guidance⁴ – particularly in areas where a principles-based approach is more beneficial than ‘blackline’ prescriptive rules in allowing for the industry to remain dynamic and innovative. As outlined in section 2, the SBAI has taken a proactive approach to addressing industry issues in relation to Culture & Diversity over the recent years to help investment managers and institutional investors overcome the real-world challenges in developing inclusive cultures to allow for all the benefits of diversity of thought to occur.

While we welcome some aspects of the proposals in the CP, there are some concerns which have been raised both on a technical and fundamental level which we seek to add to the ongoing debate on the proposed regulation.

2.1 Non-Financial Misconduct (NFM)

(Addressing [question 5](#): To what extent do you agree with our proposals to expand the coverage of non-financial misconduct in FIT, COCON and COND?)

The SBAI believes that an industry that is composed of individuals displaying high levels of probity and professionalism is fundamental to a more inclusive industry. Discrimination and sexual harassment (all under standard employment law) should be considered non-financial misconduct, as they bring into serious question an individual’s integrity and pose risk to firms and wider industry confidence. Additionally, the allowance (or perceived allowance) for these types of behaviours has knock-on effects in potentially discouraging individuals with high integrity from wanting to work in the sector, as well as attracting malevolent personality types – which negatively impacts the available pool of talent.

Therefore, we fully support the sentiment behind and expansion of coverage of non-financial misconduct in staff FIT, COCON, and COND testing and agree that these rules should be applicable to firms of all sizes. Many firms have expressed that they already incorporate these considerations into their own internal decision-making, as this type of misconduct represents a material reputational (and therefore financial) risk and negatively impacts working environments for all employees.

We welcome clarifications on what the FCA considers to be a breach of Conduct through formalised examples and further guidance on what constitutes non-financial misconduct, how it is to be investigated, and when disciplinary action should be taken. Clear guidance is essential for a consistent approach to be taken across the industry, so that these proposals to be effective.

² For example, the SBAI was critical of the reporting requirements under EU short-selling regulations, which have recently been abandoned in the UK. See SBAI regulatory engagement on short-selling here: <https://www.sbai.org/regulatory-engagement/short-selling-and-securities-lending.html>

³ The SBAI maintains the *Alternative Investment Standards*, found here: <https://www.sbai.org/standards.html>

⁴ The SBAI regularly publishes useful guidance and templates across a range of topics of interest, which can be found in the SBAI *Toolbox*, free to access here: <https://www.sbai.org/toolbox.html>

2.2 Demographic Diversity Data Collection

(Addressing questions 7, 9-12, 14-16)

The **FCA's operational objective** is to protect consumers from bad conduct, protect the integrity of the financial system, and promote effective competition in the interest of consumers; the secondary objective is to facilitate the international competitiveness and growth of the UK economy.⁵ The FCA considers the **principles of good regulation**⁶ when carrying out its work, which includes **efficiency and economy** (which is about using the FCA's resources in the most efficient and economical way), and **proportionality** (which is that burdens and restrictions imposed on a person, firm or activity is proportionate to the benefits the FCA expects). As part of this, the FCA sets great store by being **transparent about outcomes and providing metrics to enable assessments and accountability on whether outcomes have been achieved**.⁷ For this framework to function, it is important that the proposed metrics measure such desired outcomes in a meaningful fashion. Otherwise, measurement of success can mislead the public, result in ill-informed policy interventions, and create false comfort about presumable accomplishments which can ultimately undermine trust in the regulatory system.⁸

The CP and proposed regulation set out demographic diversity data as both an input factor to drive the stated objectives⁹ and at the same time as an output factor for consumers to scrutinise and compare across firms¹⁰ – which raises the following key question:

Is demographic diversity a meaningful input metric, that impacts the stated objectives (e.g. diversity of thought) and should it also be used as an output metric to measure whether better consumer outcomes have been achieved?

The FCA in its 2021 Discussion Paper: *Diversity and inclusion in the financial sector – working together to drive change* (“DP”)¹¹ defines diversity of thought (or cognitive diversity) as:

“bringing together a range of different styles of thinking among members of a group. Factors that could lead to diverse thinking could include, but not limited, to different perspectives, abilities, knowledge, attitudes, information styles, and demographic characteristics, or any combination of these.”

In our response to the initial DP¹² we highlight that the SBAI in our own Culture & Diversity Initiative have chosen to focus on the culture, or inclusion element, as diversity alone is insufficient in unlocking diversity of thought. Further, we supported the definition of the focus on diversity as being “diversity of thought” rather than singling

⁵ The role of the FCA, see here: <https://www.fca.org.uk/about/what-we-do/the-fca>

⁶ Principles of good regulation, see here: <https://www.fca.org.uk/about/how-we-regulate/handbook/principles-good-regulation>

⁷ E.g., see speech by former FCA Chair, Chris Randell, *Outcomes-focussed regulation: a measure of success?*, accessible here: <https://www.fca.org.uk/news/speeches/outcomes-focussed-regulation-measure-success>

⁸ For instance, in the area of market integrity, metrics the FCA publishes include a Market Cleanliness (MC) Statistic of abnormal price movements in share prices for takeover announcements as an indicator for insider dealing (though other factors can influence the statistic, such as astute predictions by financial analysts or media on takeover targets). <https://www.fca.org.uk/data/market-cleanliness-statistics-2022-23#:~:text=The%20MC%20statistic%20for%202022%20was%2024.6%25>

⁹ The FCA Objectives are outlined in *Chapter 2: The wider context* (page 10 – 14) of FCA CP23/20, and include 1) Securing an appropriate degree of protection for consumers, 2) Protecting and enhancing the integrity of the UK financial system, 3) Promote effective competition in the interests of consumers, and a secondary objective of 4) facilitating medium to long-term growth and international competitiveness of the UK economy – which the FCA rationalises with the proposed regulation through the desired outcomes (see page 8) of healthier firm cultures, reduced groupthink, new talent unlocked, and greater understanding of, and provision for, diverse consumer needs

¹⁰ See *D&I Regulatory Policies: Causal chain and success measures* on page 58 of FCA CP23/20

¹¹ FCA DP21/2: *Diversity and inclusion in the financial sector – working together to drive change*, accessible here: <https://www.fca.org.uk/publication/discussion/dp21-2.pdf>

¹² See SBAI Response to FCA DP21/2, accessible here: <https://www.sbai.org/resource/sbai-responds-to-fca-discussion-paper-on-diversity.html>

out any specific characteristics, such as gender, ethnicity, etc. **We reiterate this distinction between demographic diversity and diversity of thought, and caution against the conflation of the two.**

In practice, diversity of thought will differ according to context. It will depend on the required expertise, the type of decisions that need to be taken, and will certainly vary as a function of the firm's context – especially in highly specialised areas, such as finance, technology, academic and scientific research, etc. (see specific example in section 2.4). When building teams and organisations which exhibit diversity of thought, hiring decisions are complex – taking account of a wide range of aspects such as the skills, experiences, educational backgrounds, personality types, and working styles of both the existing employees and the new hires.

It is without doubt that demographic characteristics of individuals will have impacted their life journey and choices, but that does not mean that a narrow set of demographic characteristics (and the diversity thereof within an organisation) should be used as a direct proxy for diversity of thought (with a subsequent causal link to better consumer outcomes). We would like to reference another CP response by Alex Edmans, Professor of Finance at London Business School, who concludes that “it is cognitive, not demographic diversity that achieves the four goals” (referring to the four desired outcomes referenced in page 8 of FCA CP23/20).¹³

Hence, it is not clear that the proposed approach meaningfully supports the FCA's operational objectives of protecting consumers from bad conduct, protecting the integrity of the financial system, and promoting effective competition in the interest of consumers. It is specifically unclear how this data is supposed to inform the FCA's activities, policy, priorities, including misconduct investigations, enforcements, etc.

The proposed demographic diversity reporting does not provide meaningful metrics enabling consumers to assess whether good consumer outcomes have been achieved, nor does it create any useful form of accountability.

The requirement for public disclosure of demographic diversity metrics appears to suggest to consumers that these “input” metrics should be considered on par with “output” metrics such as performance, etc. (or measures of success, such as access, to regulators such as the FCA in seeking to support the objectives of Consumer Duty¹⁴).

This proposed public disclosure risks crowding out and distracting from more tangible measures of outcomes which should be of higher consideration. For example, consumers may construe data about demographic characteristics, or changes of such metrics, as discrimination or potential misconduct when it might just be random, or a function of hiring processes and/or ongoing fluctuation of staff. While it is true that sudden changes in the demographic make-up of a company may indicate discrimination, protections against discrimination in hiring (or firing) based on the proposed demographic characteristics (and more) are protected by existing legislation in the UK Equality Act of 2010¹⁵.

In summary, it is not clear why the collection, regulatory reporting and publication of demographic diversity metrics should be mandated by the FCA.

2.3 Target Setting for Demographic Diversity

(Addressing question 8: To what extent do you agree with our proposals on targets?)

Practitioners have raised concerns that (explicit or implicit by de facto industry standard) target setting based on the proposed demographic metrics could have unintended consequences and lead to worse outcomes in a

¹³ See Alex Edmans' (Professor of Finance, London Business School) Response to CP23/20, which he bases largely on new academic research findings here: <https://alexedmans.com/wp-content/uploads/2023/11/FCA-Diversity-2023-Final.pdf>

¹⁴ FCA Consumer Duty resources and guidance accessible here: <https://www.fca.org.uk/firms/consumer-duty>

¹⁵ Equality Act of 2010, accessible here: <https://www.legislation.gov.uk/ukpga/2010/15/contents>

range of areas, including employee satisfaction, firms’ resource prioritisation, and have a detrimental impact on smaller firms.

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| Employee satisfaction | <ul style="list-style-type: none"> • There is concern by staff (of all backgrounds) that recruitment or promotion might be target-driven as opposed to merit-based, i.e., tokenism. Regardless of whether these decisions are being driven by merit or not, the perception could be that targets drive outcomes (and individual career journeys) if strict target setting is put in place (or the perception thereof if proclamation of any sort of targets are to be mandated by the FCA). • Tokenism is damaging to individuals as well as overall company culture, as it overemphasises superficial diversity and does not prioritise inclusive behaviours which matter for fostering diversity of thought. |
| Resource allocation | <ul style="list-style-type: none"> • Where regulators elevate certain (demographic) metrics and implicitly or explicitly create expectations around target setting, it risks narrowing the focus of firms on solely meeting these quantitative targets at the expense of other initiatives firms could otherwise undertake (such as inclusivity-based initiatives or initiatives to foster diversity of thought, e.g., assessing how organisational structure and processes feed into the exchange of ideas). |
| Impact on smaller firms | <ul style="list-style-type: none"> • As we stressed in our Response to DP 21/20 (“DP”) on Diversity and Inclusion and in our guidance on assessing smaller managers, there are limitations to quantitative data (and over fixation thereon) – smaller firms often have lower absolute turnover, and any hiring (or firing) decision results in substantial swings in metrics-based reporting. • Specific concern raised by smaller firms that large, well-resourced firms can easily “improve” demographic metrics by hiring demographically diverse staff from less well-resourced organisations. It is worthwhile noting that this dynamic does not improve overall demographic diversity in the sector on aggregate – but would result in an “improvement” when assessing only the largest firms. |

2.4 Inclusive cultures matter for diversity of thought to occur

(Addressing questions 13, 17)

Alongside the complex task of building teams with diverse perspectives is the fundamental task of facilitating an (inclusive) environment in which dissent and debate can occur – so that all individuals (regardless of their apparent demographic differences or similarities) can express their views. In other words, **promotion of inclusive cultures rather than having a narrow focus on demographic diversity is fundamental to allow for diversity of thought to occur**. This is an area where questions in relation to governance, organisational design, risk management, and leadership become much more prevalent.

As mentioned, culture has been a major topic of discussion at the SBAI. Recent commentary and guidance on the topic can be seen in both in our *Culture Matters* memo (highlighted above), as well as the first publication in our Professionalism in Practice series, which is an article about *Striking the Right Balance* across investment and operations teams within investment firms to achieve better outcomes.¹⁶ This article highlights the importance of **organisational factors** (such as governance, empowerment, process, organisational structure, and culture) alongside teams built up of **diverse (specialist) skillsets with leadership** who enable (and explore) debate and dissent ultimately results in better outcomes. Some of the specific topics SBAI stakeholders have raised in this context include:

- Understanding employee satisfaction (e.g. satisfaction and engagement surveys)¹⁷

¹⁶ Accessible here: <https://www.sbai.org/resource/striking-the-right-balance-navigating-odd-and-idd-in-institutional-investments.html>

¹⁷ For example, the FCA uses an annual staff surveys to assess staff morale, confidence in leadership, etc.

- Identifying and addressing underlying causes for employee turnover
- Tackling career disadvantages for women who take maternity leave and addressing inequalities in parental leave to empower new parents (including adoptive parents)
- Psychological Safety (see FCA Insights, on how a culture of blame, fear, and hierarchy causes harm)
- Internal talent and career development
- Recruitment and pipeline development (including early engagement initiatives)

Institutional investors undertaking due diligence of investment managers' approaches to build inclusive cultures will find some of the (qualitative) information and initiatives mentioned above much more valuable to assess the quality of investment firms than demographic statistics.

A topical example of how diversity of thought plays out in real world situations, where decisions need to be taken under significant uncertainty, can be seen in current discussion and criticisms of potential groupthink in the Monetary Policy Committees (MPC) at Central Banks (most recently prompted by a report by the House of Lord's Economic Affairs Committee).

In Practice: Diversity of thought in Monetary Policy Committees (MPCs) of Central Banks

Questions in relation to "groupthink" in Monetary Policy Committees have occasionally arisen over the recent past. One study presented at the Reserve Bank of Australia (RBA) Annual Conference in 2018 notes that "excessive insularity and groupthink can hinder the effectiveness of monetary policymaking" and "[foster] complacency about tacit assumptions, lack of attention to material risks, and failure to prepare contingency plans for adverse scenarios".¹⁸ Effective risk management, the authors note, requires dynamic and 'outside-the-box thinking' as **even experts can be susceptible to the logical fallacies of groupthink and confirmation bias** – which is akin to the views at the FCA as expressed in the CP. The authors identify some *susceptibility* points (i.e., not guaranteed triggers) for groupthink in committees such as similar educational and professional backgrounds.

Additionally, the internal processes of the organisation matters. A structure which emphasises consensus rather than individual accountability can drive groupthink as individuals potentially seek to protect themselves professionally or abide by 'office politics' – which can result in poorer outcomes for clients/consumers and poorer work environments. Therefore, **good governance practices and cultures of inclusivity which empower individuals to bring their unique perspectives are vital to preventing groupthink**. The study suggests a range of design principles to strengthen governance and transparency including selection of members (employees) to ensure diverse perspectives and expertise – including **appointing experts with diverse educational backgrounds, professional experiences, and even geographical diversity (e.g., having committee members which are dispersed around the country, rather than all London-based as an example)**. The study goes on to suggest principles around structure including fostering engagement among members and diminishing influence of any single individual (by function of group size, veto powers, etc.).

In a November 2023 report by the UK's House of Lord's Economics Affairs Committee, questions around diversity of thought and culture arose again – criticising perceived lack of intellectual diversity in the Bank of England (BOE) and other central banks¹⁹. The report calls for the BOE to do more to foster diversity of views and strengthen a culture that encourages challenge, with a focus on governance and hiring practices and appointments. The report has prompted further debate on the subject (see below), highlighting not just the complexity of decision making under high degrees of uncertainty, but also the complexity of the organisational systems in place.

¹⁸ Reserve Bank of Australia, *Robust Design Principles for Monetary Policy Committees* (2018), accessible here: <https://www.rba.gov.au/publications/conf/2018/pdf/rba-conference-volume-2018-archer-levin.pdf>

¹⁹ House of Lords Economic Affairs Committee, *Making an independent Bank of England work better* (2023), accessible here: <https://publications.parliament.uk/pa/ld5804/ldselect/ldeconaf/10/10.pdf>

| Discussions of Groupthink in Central Bank Monetary Policy Committees | |
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| Publication | Contents |
| Economic Affairs Committee, <i>Making an independent Bank of England work better</i> (2023) ²⁰ | <p>The report raises concerns about “intellectual diversity” in the Bank of England and other central banks, which the report argues resulted in insufficient challenge as regards modelling and forecasting.</p> <p>Chapter 4: Diversity of Thought and Culture (p.33-45) provides anecdotal evidence including concerns over lack of diversity in educational background (e.g., master’s degrees or PhDs in economics – “which may reflect the way macroeconomics is taught in universities and practiced in the central banking community”). Edward Chancellor is quoted as saying “If everyone is using the same model, it does not matter where they come from; there is no underlying diversity of opinion”. Professional journey is also a focus of discussion. Additionally, the chapter highlights the need for the BOE to be proactive in encouraging this diversity of thought and “culture of challenge” – which ultimately enables dissent to be voiced (and heard).</p> |
| Tony Yates, <i>The House of Lords’ thinking on inflation is muddled and meagre - The wrong solutions to the wrong problems</i> (2023) ²¹ | <p>Criticism of the Economic Affairs Committee Report (above) which suggests that the report seeks to “fix (a) lack of diversity that might not exist (which) caused a problem that might not have been a problem” – i.e., the criticism states that the policy response by the BoE to address inflation was the best option under the circumstances, and that the report was “ultimately, a report about a policy error that was not a policy error”.</p> |
| David Blanchflower, <i>Bank of England is a captive of groupthink</i> (2019) ²² | <p>Criticism by ex-MPC member over groupthink (“tyranny of the consensus”) at the BOE which the author claims resulted in the inability to anticipate the recession triggered by collapse of Northern Rock, Royal Bank of Scotland and Lloyds Banking Group. Among concerns raised included:</p> <ul style="list-style-type: none"> • The author states that during their time on the MPC, they were “the only person who had not been to Oxbridge and did not live in London or South East England” • Track record (or lack thereof) of dissent within members of the organisation <p>The author closes to encourage diversity of views through encouraging geographical diversity of teams across the UK as well as encouraging more openness to those without an educational background in Economics.</p> |
| David Archer and Andrew T Levin, <i>Robust Design Principles for</i> | <ul style="list-style-type: none"> • Groupthink²⁴ is a key form of organisational failure. • A total of 11 governance principles are established in the report for strengthen Monetary Policy Committees, with one principle focussing on |

²⁰ The Economic Affairs Committee is a House of Lords permanent investigative committee charged with considering economic affairs. Economic Affairs Committee, *Making an independent Bank of England work better* (2023), accessible here:

<https://committees.parliament.uk/committee/175/economic-affairs-committee/news/198648/reforms-needed-to-improve-the-bank-of-englands-performance-and-accountability-says-new-lords-report/>

²¹ Tony Yates (former professor of economics and senior adviser at the Bank of England), *The House of Lords’ thinking on inflation is muddled and meagre - The wrong solutions to the wrong problems* (2023), accessible here: <https://www.ft.com/content/15e05322-a26d-4854-a234-44abd7ed7357>

²² Professor for Economics, Dartmouth College, member of MPC 2006-2009, accessible here: <https://www.ft.com/content/71c48fa8-e9c6-11e9-aefb-a946d2463e4b>

²⁴ Defined as “groupthink is characterised by excessive insularity and consensus oriented decisions that foster complacency and leave an organisation susceptible to catastrophic failure”

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| <p><i>Monetary Policy Committees (2018)</i>, presented at the Reserve Bank of Australia Annual Conference 2018²³</p> | <p>“diverse perspectives and expertise” by “appointing experts with diverse educational backgrounds and professional experiences”, geographic diversity (in large, federated countries), and including diverse perspectives of non-full-time employees of the Central Bank.</p> |
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2.5 Is existing regulation sufficient?

Existing regulation allows to confront failures²⁵, including discrimination, sexual harassment, and bullying. If these regulations are insufficient, they should be enhanced to provide the necessary tools and protections for all firms in the UK, not just in the financial sector.

The SBAI is keen to continue to engage with the FCA on this topic. If you would like to discuss any aspect of our submission further, please contact Thomas Deinet (Thomas.Deinet@sbai.org).

Respectfully Submitted

Thomas Deinet
 Executive Director – The Standards Board for Alternative Investments www.sbai.org

²³ David Archer is the head of the Central Banking Studies section at the Bank for International Settlements (BIS). Andrew Levin is a professor of economics at Dartmouth College. Access here: <https://www.rba.gov.au/publications/confs/2018/pdf/rba-conference-volume-2018-archer-levin.pdf>

²⁵ Including: Equality Act of 2010, guidance accessible here: <https://www.gov.uk/guidance/equality-act-2010-guidance>, and other guidance on discrimination law in the UK here: <https://www.cipd.org/uk/knowledge/employment-law/discrimination-employment-law/>