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Response submitted to: [codereview@frc.org.uk](mailto:codereview@frc.org.uk)

13 September 2023

Dear Sir/Madam,

**Corporate Governance Code Consultation**

I am writing regarding the consultation paper from the Financial Reporting Council on the Corporate Governance Code Consultation. I understand a number of London (re)insurance Market firms and London Market Group (LMG) member associations are also submitting responses, so I will leave it to them to make specific and technical points around the reforms proposed in the consultation paper, but I want to make the following overarching comments.

The LMG and its member associations welcome the opportunity to provide feedback on the FRC's proposed amendments to the Code. We also welcome the role good corporate governance – and the codifying of it – plays in contributing towards the high standards of the UK's financial services regulatory regime, which is extremely well respected and is a fundamental part of its global appeal.

We would however stress that any additional reporting requirements must be proportionate and not add to the regulatory burden already faced by London Market firms, and that specific consideration must be given to the context of a renewed focus on financial services competitiveness following the recent addition of an international competitiveness objective for the financial regulators.

For the London Market, which is heavily reliant on overseas investment, regulation and regulatory culture are the biggest factors in whether investors choose the UK. The high number of regulatory reporting requirements introduced over recent years have overly burdened firms active in the London Market, in turn undermining the UK's international competitiveness. As an example, direct regulatory cost in the UK is up to 14 times as high as the average direct regulatory cost compared to other key jurisdictions.

This consideration is particularly true in noting the simultaneous activity being undertaken by the Department for Business and Trade in their Smarter regulation non-financial reporting review: call for evidence, which the LMG also submitted a response to. I note that the FRC has access to the consultation responses, so would draw particular attention the LMG response.

Yours sincerely,

