

Innovation Advisory Group

Terms of Reference

1. Purpose

1.1. The Innovation Advisory Group ('the Advisory Group') is established by the Financial Conduct Authority (FCA) to provide guidance and input into the Innovation department's work programme.

1.2. The FCA supports responsible innovation and competition in financial services. To help the department meet its objective of supporting the FinTech and RegTech industry through increased collaboration, the Advisory Group will:

- provide advice, input, and challenge to guide the department's work programme and support the wider organisation's innovation agenda
- provide guidance on relevant emerging topics or issues that are relevant to the department, and how the FCA should develop its innovation strategy in keeping with our statutory objectives.

1.3. The role of the Group is advisory in nature. The views and input of Advisory Group members are provided to the FCA on a voluntary basis, and do not give rise to any obligations on the FCA. The Advisory Group will not make any decisions on behalf of the FCA.

2. Activities

2.1. The activities of the Advisory Group include:

- Providing views on specific initiatives or topics brought to the Advisory Group by the FCA for discussion as agenda items;
- Actively bringing to the attention of the FCA key areas of interest and/or concern relevant to innovation in financial services;
- Providing views on the prioritisation of cross-cutting industry issues/problem areas to be explored through initiatives such as TechSprints and annual tech challenges/spotlights; and
- Distributing key public messages from the FCA to their own members, key stakeholders, and relevant networks where appropriate (e.g., event invitations, recent FCA publications, major announcements).

2.2. This list is not exhaustive, and the Chair can agree with Advisory Group members additional activities over time.

2.3. The FCA will undertake any procurement activities through the [standard procurement process](#).

2.4. Other divisions at the FCA, such as Supervision, Policy, and International may be invited by the Chair to bring items to the Advisory Group, to seek their guidance and views. These items are agreed by the Chair and the relevant FCA division.

3. Membership

3.1. The Advisory Group will be chaired by the FCA Head of Innovation.

3.2. The Advisory Group is composed of senior leaders from key stakeholder groups, such as trade bodies, accelerators & incubators, regional FinTech advocates and academic experts.

3.3. The Advisory Group will consist of fixed and rotating membership, with each member being represented by one senior leader from their respective organisations. All Advisory Group members will be appointed at the discretion of the FCA, and memberships will be publicised on the FCA website.

3.4. All members are expected to represent the views and interests of their industry and sector more generally, not solely of their parent organisation.

Fixed members

3.5. The Chair will appoint fixed members through direct invitation, where industry expertise and experience align with the purpose of the Advisory Group.

3.6. The duration of the appointment for fixed membership will be two years and may be renewed at the Chair's discretion.

Rotating members

3.7. The Chair is permitted to appoint rotating members to the Advisory Group.

3.8. The FCA will open windows for public expressions of interest for rotating membership positions, based on technical expertise, knowledge, and experience, as well as ability to commit sufficient time to support the Advisory Group. These calls for interest will be publicised on the FCA website.

3.9. The duration of the appointment for rotating membership will be one year and may be renewed at the Chair's discretion.

3.10. It is expected that rotating members will be from organisations such as consultancies, incubators and accelerators, and academic institutions.

3.11. To avoid any actual or perceived conflicts of interest, and to avoid undue focus being given to a specific firm's concerns or interests, the FCA will not generally consider applications for rotating positions from:

- directly regulated firms undertaking financial services activities
- firms who are not yet directly regulated but are likely to require authorisation in the future
- technology vendors who do not require authorisation but have a commercial interest selling regulatory compliance solutions.

Sub-groups

3.12. The Chair may decide to establish temporary sub-groups to deliver specific tasks or work streams in support of the Advisory Group's activities (such as undertaking deep dives into topics relevant to the Advisory Group).

3.13. Sub-groups will be composed of fixed and rotating members. The Chair will assign Advisory Group members to sub-groups based on their technical expertise, knowledge, and experience of the relevant area of technological innovation and/or financial services.

3.14. The Chair may use their discretion to invite non-Advisory Group members (such as regulated firms) to participate in sub-groups either by opening public windows for expressions of interest, or by directly appointing participants whose industry expertise and experience align with the purpose of the sub-group and wider Advisory Group.

3.15. The Chair will appoint sub-group leads who are either fixed or rotating Advisory Group members, or employees of the FCA, to oversee each sub-group's activities, including any sub-group meetings.

3.16. The Chair will determine the duration of each sub-group's appointment. Once this period has come to an end, the sub-group will be dissolved. The sub-group's appointment may be renewed at the Chair's discretion.

4. Termination of membership

4.1. The Chair may remove members or sub-group participants from the Advisory Group where, in their opinion, their misconduct, incapacity or other interests make it inappropriate for them to continue. The appointment to the Advisory Group or any sub-group will terminate with immediate effect on the decision of the Chair. The appointment may also be terminated if the member or sub-group participant decides to no longer be a member.

5. Confidentiality

- 5.1. Members and sub-group participants are bound to protect the confidentiality of the information they receive or have access to through the Advisory Group.
- 5.2. Members and sub-group participants are welcome to publicly discuss the fact of their involvement in the Advisory Group. However, members and sub-group participants are not permitted to discuss the content of the Advisory Group meetings with non-participants. Members and sub-group participants must consult with the Secretary of the Advisory Group prior to issuing press releases or other substantive communications.
- 5.3. It is the responsibility of all members and sub-group participants to ensure they understand and comply with their obligations under competition law. Members and sub-group participants will need to ensure that they familiarise with the concept of competitively sensitive information and do not unilaterally disclose or exchange it under any circumstances.
- 5.4. Members and sub-group participants who inappropriately share information pertaining to the Advisory Group's work or meetings may have their memberships (or sub-group participation) terminated by the FCA.

6. Meeting frequency

- 6.1. The Advisory Group will meet approximately 3 times a year at regular intervals. These meetings will be scheduled as far in advance as possible.
- 6.2. Additionally, the Advisory Group and sub-groups can meet on an ad hoc basis as required.

7. Notice and proceedings of meetings

- 7.1. A member of the FCA Innovation Department will act as the Secretary of the Advisory Group. The Chair of the Advisory Group will set the agenda for all meetings.
- 7.2. Meetings shall be convened by the Secretary, or their nominee, per the frequency set out above.
- 7.3. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Advisory Group and any other person required to attend no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Advisory Group members and, as appropriate, to other attendees at the same time.

7.4. The notice, agendas and supporting papers shall normally be distributed in electronic form.

7.5. Meetings may also be held by telephone or electronically.

8. Reporting

8.1. Fixed and rotating members report to the Chair of the Advisory Group, who may choose to share any findings in full or in part with the FCA's Executive Committee, Board, independent statutory panels, or other members of the organisation's senior leadership team.

8.2. All sub-groups report to the Advisory Group via their sub-group leads.

8.3. The FCA will not make the Advisory Group's reports or findings (including any sub-group's reports or findings) public, unless there are legal or other compelling reasons to do so.

9. Conflicts of Interests

9.1. It is the responsibility of members and sub-group participants to bring potential or actual conflicts of interest to the attention of the Chair or the Secretariat as soon as they become aware of them.

10. Review

10.1. These terms of reference will be reviewed and updated by the Secretary at least annually and may be reviewed at other intervals whenever necessary.