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Dear Antony,

ABS authorisation

This letter is to summarise some of the main points arising from the LSB's visit to the SRA on 26 April. It also seeks confirmation of the activities the SRA is planning in relation to authorisation and requests a timetable for these developments.

First, I would like to thank Samantha and the authorisation team for the meeting. We thought it was very useful and provided an insight into the improvements and changes you have already implemented and that you have planned. We note the progress made in clearing the backlog and improving the data quality in the spreadsheet provided to the LSB.

From our meeting we noted that the following changes to firm based authorisation had been implemented or were planned in the near future:

- a) the scrapping of the 2-stage application process;
- b) a new time-limited approach to screening all applicants to ensure eligibility and completeness (triggering an invoice and the beginning of the statutory decision period);
- c) full application form available on the SRA website;
- d) a rewrite of the relevant website pages;
- e) SMT "owners" of complex applications from the start of an application to ensure immediate identification of major regulatory risk issues;
- f) implementation and reporting of KPIs to the Board and publication;

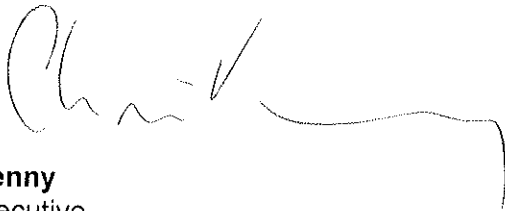
- g) a survey of applicants at point of decision on an application, beginning in Q3; and
- h) a conference and webinar for applicants and potential applicants on 4 June.

We would be grateful if you could provide planned implementation dates for the above and for anything else you feel relevant but not noted. One additional area where we would be interested to know your thinking is the handling of additional applications from current licence holders.

In addition, you and I discussed on 20 May the need to progress the development of more effective IT-based systems of risk-based assessment and supervision to underpin the operation of the arrangements. As you know, we made clear that we expected to see developments in this area at the time of the decision to recommend LA status for the SRA and, whilst accepting that tough prioritisation decisions have been needed in the intervening period, this is an issue that we expect to see remaining high on your agenda. We would be grateful to see the latest specification and to have a general update on plans and progress with specific dates for deployment if possible.

As you know, my Board considers the area of authorisation a priority and wishes to see sustained and sustainable improvements. I intend to pass your reply on to my Board at its meeting on 10 July. So, if you would like to provide any additional information on your plans, I am sure it will be appreciated.

Yours sincerely



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