

Corporate & Financial Weekly Digest

Posted at 1:02 PM on February 11, 2011 by [Edward Black](#)

FSA Circulates "Dear CEO" Letter on Transition to New Regulatory Structure

On February 7, the UK Financial Services Authority (FSA) published a "Dear CEO" letter from Hector Sants, FSA Chief Executive, about the transition to the new regulatory structure first announced in June 2010 (see the June 18, 2010, edition of [Corporate and Financial Weekly Digest](#)) under which the FSA will, by late 2012, be replaced by two separate regulators (the Prudential Regulation Authority (PRA) and the Consumer Protection and Markets Authority (CPMA)).

This week's letter states that the process of implementing the new regime will commence on April 4, when a Prudential Business Unit (PBU) and a Consumer & Markets Business Unit (CMBU) will replace the FSA's current Supervision and Risk business units. Mr. Sants will head the PBU and Martin Wheatley, CEO designate of the CPMA, will head the CMBU.

Regulated firms will be contacted in April 2011 with more information on where their supervision will be allocated within the new regulatory structure. The FSA will publish consultative papers on the transition during the remainder of the first half of 2011.

To read the letter, click [here](#).

To read a statement on banking by the Chancellor of the Exchequer, click [here](#).

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