

8 January 2013

Peter Cardinali  
Finance and operations - Fees Policy  
Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

Dear Peter,

**CP12/28: Regulatory fees and levies (policy proposals for 2013/14)**

The Investment Management Association is the trade body for the UK asset management industry, representing around £4.2 trillion of funds under management. Its member firms include managers of a wide range of asset classes for a wide range of clients, including institutional funds, authorised unit trusts and open ended investment companies.

We welcome the opportunity to comment on the proposals covered by this paper.

**Q5: Do you have any comments on the proposed option 1 for allocating the FSA defined pension deficit costs under the FCA?**

Although we understand the FSA's preference for option 1, we have some concerns that FCA regulated firms could be paying for pension deficits for individuals that were originally subsumed into the FSA in 2001 and will move again into PRA roles later this year.

Therefore if some of the pension deficit relates to individuals who worked for the previous organisations to the FSA (such as the Bank of England, DTI and SFA) then we believe that option 2 is preferable; however a blend of Options 1 and 2 would also be an acceptable proposition to our member firms.

We look forward to hearing from you if there is any clarification that you would find useful on the points we have raised.

Yours sincerely



Susan Wright  
Senior Advisor, Regulation

65 Kingsway London WC2B 6TD  
Tel:+44(0)20 7831 0898 Fax:+44(0)20 7831 9975

[www.investmentuk.org](http://www.investmentuk.org)