

Private and Confidential

12 September 2012

Ms Anna Colban
Financial Reporting Council
5th Floor, Aldwych House
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London
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Dear Anna

FRC - Disciplinary Schemes Proposed Changes – Consultation June 2012

I write with CIMA's comments, further to those in my letter to Paul George dated 25 May 2012.

Consultation Paper page 15 Questions

1. **Should the Schemes be amended as set out in paragraphs 3.3 to 3.11 so as to enhance the independence of the disciplinary arrangements?**

Yes

2. **Are the proposals to conclude cases without the need for a tribunal hearing appropriate (paragraphs 3.12 to 3.13)?**

Yes

3. **Do you agree with the role envisaged for the Case Management Committee (paragraph 3.15)?**

Yes, although as proposed Settlement Approvers, drawn from the Case Management Committee, are to take decisions to conclude cases, the Scheme might well define more clearly "legally qualified" in proposed 6 (14) of the Scheme, which sets out the required background of Settlement Approvers. Also, it appears it is possible that the selected Settlement Approvers for a particular case might not include an accountant whereas a Disciplinary Tribunal must include an accountant (and "a lawyer", which is defined). On the basis that a case could be concluded either via tribunal or via settlement to equivalent effect, CIMA believes that there should be consistency in the qualifications of Settlement Approvers and Tribunal members.

4. **Are the proposals to facilitate the timely completion of investigations and disciplinary proceedings appropriate (paragraphs 3.16 to 3.18)?**

Yes, although with reference to paragraph 3.18, will the intended time limits allow discretion to extend time allowed in exceptional circumstances (which can be useful)? Also, will they be articulated within the Scheme itself or issued as guidance elsewhere?

5. **Should the Executive Counsel be able to seek an interim order against a member or member firm? If so, are the proposed provisions (paragraph 3.19) appropriate?**

Yes

6. **Do you have any comments on the proposals to amend the investigation test (paragraphs 3.24 – 3.29)?**

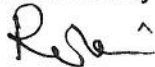
No

7. **Do you have any other comments on the proposed Schemes or the points raised in this paper?**

With regard to paragraph 3.28 on page 12 of the Consultation, ***Sanctions (Appendix One – Schedule of Sanctions)***, we agree there is merit in broadening the range of sanctions, but if they are to include placing conditions on licences, then in order to ensure public confidence a system must be in place to ensure those conditions are complied with.

CIMA will await the outcome of the consultation with interest.

Yours sincerely



Robin Vaughan
Executive Director, Governance & Professional Standards