

Minutes: Investor Advisory Group

Date: 12 July 2018 @ 12:00-14:00

Venue: Financial Reporting Council, 125 London Wall, EC2Y 5AS

Lead: Stephen Hadrill, Financial Reporting Council

Attending:

Leon Kamhi	Hermes
Carine Smith Ihenacho	Norges Bank Investment Management
Simon Siu	BT Pension Scheme
Daniel Summerfield	USS
Janice Turner	Association of Member Nominated Trustees
David Gorman	Castlefield Investment Partners
Andrew Cave	Baillie Gifford
Ben Yeoh	RBC Global Asset Management
Amra Balic	BlackRock
Natasha Landell-Mills	Sarasin & Partners
Jonathan Haymon	Institutional Shareholder Services
Kazim Razvi	Fitch Ratings
Mohammed Amin	Representing both UKSA and ShareSoc
Laurie Fitzjohn-Sykes	HSBC
Paul Marsland	Kepler Cheuvreux
Jen Sisson	Financial Reporting Council
Lydia Smith	Financial Reporting Council

Apologies: Faith Ward - Brunel Pension Partnership, Michael Marshall - LGPS Central

1 Welcome & Introductions

2 Review of draft Terms of Reference

- 2.1 The terms of reference were discussed and agreed, subject to the addition of retail shareholders to the list of participant types.
- 2.2 It was agreed that the FRC may gather small groups of the Investor Advisory Group (IAG) to meet in between meetings to discuss certain topics if necessary.

Update on the Kingman Review

- 2.3 It has been seven years since the last review of the Financial Reporting Council took place. This review led to significant restructuring of the organisation. Sir John Kingman will look at how the FRC go about their jobs; whether the job is appropriately defined, whether the FRC have the right culture in the organisation; the right leadership; leadership style and if they have the right powers and capabilities.
- 2.4 Sir John Kingman's call for evidence is still open and will close on the 6th August 2018. Stephen Hadrill encourages the IAG to respond based on the individual members day job not as a member of the IAG.

2.5 Members of the IAG raised several questions including the extent to which the Kingman review would consider culture, funding, powers and the speed of the enforcement process.

3 IAG members views on current areas of key opportunities and potential areas of focus for the FRC

3.1 IAG members raised several areas of interest.

- The capital maintenance regime and how it has been implemented.
- Transparency around individual company reporting reviews and individual audit inspections.
- Alternative performance measures and wider ESG reporting
- Enhancing guidance for pension schemes in the Stewardship Code

4 IAG members suggestions on areas of focus for the IAG

4.1 Discussed together with agenda item 4

5 Update on the UK Corporate Governance Code and Stewardship Code

5.1 Corporate Governance Code is to be published on Monday 16th July 2018. The Stewardship Code will be out for consultation later this year. The Stewardship Code has already had a lot of input from the Stewardship questions asked in the Corporate Governance Code consultation.

6 Open FRC consultations and projects

6.1 Consultation: proposed Amendments to the FRC taxonomies

6.2 Consultation: The Wates Corporate Governance Principle for Large Private Companies

6.3 FRC Lab: Digital Future – if any of the Investor Advisory Group (IAG) know of anyone that the FRC Lab can talk to, please pass on their details.