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1 August 2013

Our Ref: FOI3051

Dear

**Freedom of Information: Right to know request**

Thank you for your request under the Freedom of Information Act 2000 (the Act), for the following information.

Remuneration Code / Amendments to Senior Management Arrangements, Systems and Controls Sourcebook:

We are interested in identifying how the FCA monitors whether firms are taking into account their statutory duties in relation to equal pay and discrimination (particularly sex discrimination) . . .

1. Having regard to 19.2.2(3) of the Code and the fact that the policing of this is under the FCA's remit, what actions have been taken by the FCA in relation to this part of the Code bearing in mind the FCA's public sector equality duty?
2. Having regard to the Code's mandatory requirement on firms to collate and provide information on high earners, please advise:
  - (a) How do you require these to be provided?
  - (b) Do you require it to be provided by reference to gender?
  - (c) How is it collated?
  - (d) Is it collated by reference to gender?
  - (e) What is the definition of high earner or what guidance is provided to firms in providing this information?
3. With regard to collating that information by gender, if the FCA are not collating that information by gender, please explain why?
4. With regard to collating that information by gender, if the FCA are collating that information by gender, please advise:
  - (f) The number of firms who have provided information on high earners;
  - (g) The number of firms providing that information by gender;
  - (h) The number of female high earners and the number of male high earners that have been reported;
  - (i) The percentage number of high earning women as regards the percentage

number of high earning men.

5. Insofar as the FCA have collated high earners information by gender, what are the actions that FCA have taken or propose to take in respect of that information?

Your request has now been considered and point 4 will be answered under the FOI Act. The remaining points of your request are posing questions rather than asking for recorded information so they will be answered outside of the Act.

In relation to points 1 and 2 above, CRDIII introduced the requirement that competent authorities (previously the FSA) in each European member state have to collect information on the number of individuals per credit institution in pay brackets of at least EUR 1 million, including the business area involved and the main elements of salary, bonus, long-term award and pension contribution. That information is forwarded to the European Banking Authority (EBA). It is collected on an individual firm basis and disclosed on an aggregate home Member State basis in a common reporting format. To facilitate the data collection, in 2012 the EBA published Guidelines on the data collection exercise for High Earners, which includes the template used for the data collection. The template can be found on our website:

<http://www.fca.org.uk/your-fca/documents/high-earners-report>

The first report published by the EBA can be found at the link below and may provide more detail.

[http://www.eba.europa.eu/documents/10180/16145/EBA-Report-High\\_Earner\\_results.pdf](http://www.eba.europa.eu/documents/10180/16145/EBA-Report-High_Earner_results.pdf)

With regards to data on gender, the FSA as part of its duty to proposed equality and diversity determined it was appropriate to collect the high earners data, this data is supplied on a voluntary basis by firms as part of the same report. The data where provided is on an aggregate basis and is collected in conjunction with diversity data.

In relation to point 3, as previously described the data collated by gender is provided on a voluntary basis by firms. The first EBA submission only covered 2010 and 2011. The deadline set by the EBA for firms to submit their 2012 data is 1<sup>st</sup> September 2013.

In relation to point 4, each point has been answered (under the Act) separately below. The time period for this data is for the bulk collection of two years' data, 2010 and 2011, which is now complete. The 2012 data is still in the process of being collected.

**(f) The number of firms who have provided information on high earners;**

544 firms provided us with a High Earners Return for 2010 and 2011.

**(g) The number of firms providing that information by gender;**

The equality and diversity section was optional and only 24 firms provided us with any gender information.

**(h) The number of female high earners and the number of male high earners that have been reported;**

From these 24 firms:

272 female high earners were reported in 2010 and 158 in 2011.  
739 male high earners reported in 2010 and 292 in 2011.

There was 1 unspecified high earner in each of 2010 and 2011.

**(i) The percentage number of high earning women as regards the percentage number of high earning men.**

On the basis of the figures and a total of 1011 high earners in 2010 and 450 high earners in 2011:

- 2010 – 73% male, 27% female
- 2011 – 65% male, 35% female

In relation to point 5, the initial data collection has only recently been finalised and therefore we have not had the opportunity to determine what action we would wish to take in light of the information. However, we remain committed to our obligations in respect of diversity and equality.

If you have any queries then please contact me.

Yours sincerely

Information Access Team