

Bank of England PRA

The Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
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Sam Woods

Deputy Governor, Prudential Regulation
CEO, Prudential Regulation Authority
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15 July 2025

Dear Rachel,

Speed of regulatory approvals

A robust regulatory gateway for authorising new firms and handling other regulatory applications is an important foundation of effective supervision, ensuring that firms and the individuals running them meet the expectations needed to deliver a stable financial system which supports sustainable economic growth. Firms also need to have confidence that the gateway is transparent, efficient and proportionate, as unnecessary delays and uncertainty increase costs and may discourage investment.

The Prudential Regulation Authority (PRA) takes seriously its responsibility to meet the deadlines set out in legislation for processing regulatory applications, and in 2023 we increased the frequency and granularity of reports on our performance. These have in recent years shown high and sustained levels of performance against statutory deadlines, including elimination of previous delays in approving senior managers. 99.7% of all applications were determined within deadlines in the reporting year 2024/25.

We support the Government's intention to build on this performance, as part of your package of measures being announced today. The proposals to shorten timelines in legislation as set out in the Government's consultation document would represent a meaningful reduction in the times firms may have to wait for decisions, improving confidence and reducing regulatory burdens.



Deadlines set in legislation represent the maximum time that may be required to handle an application. They need to allow sufficient time for the PRA to assess and challenge applications that could pose significant risks to our objectives, and sometimes it can also be in a firm's interest to have more time to conclude an application, for example if it needs to finish raising capital. Ambitious deadlines in legislation do need to allow for such circumstances, including to avoid the unintended consequence of more rejection proceedings being initiated.

More straightforward applications can and should be completed well within legislative deadlines. The PRA already deals with many applications faster than existing deadlines, as can be seen in our published metrics. To complement the proposals in the Government's consultation document, the PRA is therefore setting out additional stretching targets to show where we intend to go faster than the legislative deadlines, to give firms additional confidence in what to expect, particularly for less complex applications.

For **new firm authorisations**, where the Government is proposing a deadline of 4 months for complete and 10 months for incomplete applications, we will target significantly shorter approval times for certain types of business which are more straightforward to assess and pose limited risks to our objectives. In particular, we will target approval times of:

- 3 months for complete applications from insurance firms that qualify for the [wholesale insurance accelerated authorisation pathway](#);
- 6 weeks for complete applications from insurance special purpose vehicles; and
- 10 working days for complete applications from insurance special purpose vehicles that qualify for an accelerated pathway, as set out in consultation paper (CP)15/24 – [Proposed changes to the UK Insurance Special Purpose Vehicles \(UK ISPV\) regulatory framework](#).

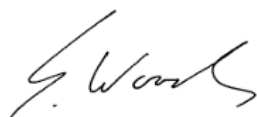
For other types of new insurer and deposit-taker authorisation, which can vary significantly in complexity and cannot be easily categorised, we will enhance how we communicate expected timelines to individual firms during the application process and will provide regular and transparent feedback about progress. We will also continue initiatives such as pre-application support to help improve the quality of the application materials that firms submit, as this is an important contributor to the length of a review.

For **senior manager regime applications**, where the Government is proposing a deadline of 2 months, the PRA will target completing at least 50% of cases within 45 days, increasing confidence in the speed with which more straightforward appointments can be made. If the reforms being proposed in the Government's consultation paper on the Senior Managers Regime are implemented, we also expect to cut the number of

senior manager roles for which we require approval at all significantly – this will make our target more stretching over time, as the remaining roles will likely be the more complex or high impact ones.

We will enhance our quarterly reporting from the beginning of 2026 to start showing performance against these targets and against the shorter deadlines being proposed in legislation, ahead of these coming into force. We anticipate that when we start that reporting some new targets may not be met immediately, as it will take time to make the necessary changes, but we are committed to transparently showing the progress being made towards delivering these important reforms.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Woods', with a stylized, cursive script.

Sam Woods

Deputy Governor and CEO, Prudential Regulation Authority