

9 July 2026

James Ridgewell
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

By email: cp26-16@fca.org.uk

Re: CP26/16 – Registration of Authorised Fund Assets

Dear James,

State Street welcomes the opportunity to respond to the FCA's Consultation Paper CP26/16, *Registration of Authorised Fund Assets*.

State Street is one of the world's leading providers of financial services to institutional investors including investment servicing, investment management and investment research and trading. With \$54.5 trillion in assets under custody and/or administration and \$5.6 trillion* in assets under management as of March 31, 2026, State Street operates globally in more than 100 geographic markets and employs approximately 51,000 worldwide.

As part of our investment servicing offering in the UK, we provide comprehensive depositary services through our entity State Street Trustees Limited ("SSTL"). SSTL is one of the UK's largest depositaries, providing depositary and trustee services to authorised and alternative investment funds across the UK market. SSTL has operated in the UK depositary sector for more than 25 years and currently acts as depositary or trustee to over 460 funds with aggregate assets under depositary of approximately £415 billion. Our client base spans both UCITS and AIF structures and includes a broad range of retail and institutional investment products.

At the outset, we would like to recognise and thank the FCA for the significant time, resources and constructive engagement it has committed to addressing a longstanding issue affecting depositaries, namely the registration of certain authorised fund assets, particularly immovable property and other non-custodial assets. We agree that the current framework can create legal and operational challenges, and we welcome the FCA's clear commitment to working with industry to identify a more sustainable

and proportionate solution, including its openness to pursuing more robust and permanent reforms, potentially through targeted primary legislation.

SSTL has contributed to, and broadly supports, the response submitted by the UK Depositary Association ("UKDA"). The UKDA response reflects our views on the technical, legal and operational implications of the proposals, and we encourage the FCA to consider those comments in full. In particular, we agree with the UKDA that, while the consultation represents welcome and material progress, the proposed framework introduces significant complexity and does not fully address the underlying liability imbalance currently borne by depositaries.

In our view, any enduring solution should seek to achieve three core objectives:

1. **A clear alignment between responsibility, control and liability.** The entity exercising day-to-day control over an asset should, to the greatest extent possible, bear corresponding responsibility for that asset.
2. **Operational simplicity, legal certainty and cost-effectiveness.** Any framework adopted should be capable of practical implementation across a broad range of fund structures, including private market vehicles, without creating unnecessary legal complexity, additional layers of governance or disproportionate cost, particularly where those costs may ultimately fall to be borne by investors.
3. **Consistency and competitiveness of the UK funds market.** The UK's depositary regime should continue to support investor protection whilst ensuring that the UK remains an attractive domicile for authorised funds and long-term investment products.

We are concerned that aspects of the proposed affiliate-based delegation model, trust arrangements and associated legal requirements may impose significant, and in our view materially underestimated, costs and operational burdens on depositaries, fund managers and, ultimately, investors, without delivering a commensurate reduction in regulatory or legal risk. In particular, we would encourage the FCA to revisit its cost assumptions in light of the likely expense of affiliate establishment, external legal advice, asset re-registration and ongoing oversight arrangements, and to provide clearer guidance on how those costs should be allocated so that investors are not unintentionally disadvantaged. We therefore encourage the FCA to continue engaging with the industry as it considers both the finalisation of these proposals and the broader review of the depositary regime.

We believe that the current proposals should be regarded as part of a wider programme of reform, and we welcome the FCA's stated openness to considering longer-term solutions, including potential primary legislative change. Certain aspects of the challenge arise from interactions between fund regulation and wider legislative frameworks governing property ownership and legal title. Accordingly, we strongly support continued dialogue between the FCA, HM Treasury and other relevant stakeholders to explore

longer-term legislative solutions, including potential targeted amendments to the Financial Services and Markets Act, that may provide a more proportionate and durable outcome and support the UK's competitiveness as a fund domicile.

In summary, SSTL supports the FCA's objective of addressing the issues associated with registration of authorised fund assets and welcomes the progress represented by CP26/16. However, we believe further refinement is needed to ensure that any final framework is proportionate, operationally workable, legally robust and capable of delivering meaningful benefits for investors, fund managers and depositaries alike.

We look forward to collaborating further with the FCA to achieve a more proportionate regime that protects the interests of investors in the broader context of the UK Government competitiveness and growth objective. Please do not hesitate to contact me should you have any questions or if you would like to discuss our comments further.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Louise Burns', with a stylized flourish at the end.

Louise Burns
Chief Executive Officer