

Senior managers and certification regime: Introduction and classification

## Chapter 23

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## 23.2 Definitions and types of firms

- 23.2.1** **R** ■ SYSC 23 Annex 1R (Definition of SMCR firm and different types of SMCR firms) defines:
- (1) what an *SMCR firm* is; and
  - (2) what the different types of *SMCR firm* are.
- 23.2.2** **G** Broadly speaking, *firms* covered by the senior managers and certification regime that are dual-regulated by the *FCA* and the *PRA* are divided into two categories:
- (1) Banks and deposit-takers. They are called *SMCR banking firms*.
  - (2) Insurers. They are called *SMCR insurance firms*.
- 23.2.3** **G** Broadly speaking, *firms* covered by the senior managers and certification regime that are regulated by the *FCA* are divided into three categories:
- (1) *Firms* regulated by the *FCA* that do not fall into (2) or (3). They are called *core SMCR firms*. A large number of *firms* will be in this category.
  - (2) Certain large *firms*. These are called *enhanced scope SMCR firms*. Relatively few *firms* fall into this category.
  - (3) *Firms* whose business is limited to certain types. These are called "*limited scope SMCR firms*". A large number of *firms* will be in this category. The main examples are:
    - (a) *limited permission consumer credit firms*;
    - (b) an *authorised professional firm* whose only regulated activities are *non-mainstream regulated activities*;
    - (c) internally managed *AIFs*;
    - (d) *firms* whose main business is not regulated and whose regulated business is (with limited exceptions) restricted to *insurance distribution activity* in relation to *non-investment insurance contracts*;
    - (e) a *firm* that only has *regulated claims management activities* in its *permission*;
    - (f) a *firm* that only has *permission* for benchmark activities and has the benefit of a *waiver* treating it as a *limited scope SMCR firm* as

described in ■ SYSC 23 Annex 1 6.12R (Benchmark firms: Waiver applying limited scope status);

- (G) a *firm* that only has *permission* for *funeral plan distribution*; and
- (h) a *firm* that only has *permission* for *regulated pensions dashboard activity* and, if applicable, *making arrangements with a view to transactions in investments*, which has a *limitation* to activities that are *post-view services* as permitted under ■ PDCOB 12.