

Senior managers and certification regime: Overall and local responsibility

Chapter 26

Senior managers and
certification regime: Overall
and local responsibility



26.8 Meaning of local and overall responsibility: Not reporting to the governing body

Scope of this section

26.8.1 **G** This section relates to the allocation of overall or local responsibility for any activities, business areas and functions of the *firm* which are not under the management of its *governing body* (see ■ SYSC 26.3 (Main rules)).

Branches: Responsibility held outside the management structure of branch

26.8.2 **G** A *person* having local responsibility for a function for a *branch* does not need to be part of the management structure of the *branch* in order to have local responsibility for the function.

Branches: Setting overall strategy for a branch

26.8.3 **G**

- (1) Generally, where a an *overseas SMCR firm* allocates responsibility as described in ■ SYSC 26.8.1G to one of the *firm's SMF managers* who is not based in the *branch* the *FCA* would expect:
 - (a) that the responsibility would not be allocated to a manager whose responsibilities for the *branch* are limited to setting overall strategy for the *branch*; and
 - (b) that, instead, the *firm* would allocate it to a manager who is the most senior *person* responsible for implementing the strategy for the *branch*.
- (2) See ■ SUP 10C.1.5AG for more about how the difference between strategic and implementing responsibilities affects the *FCA* senior managers regime for *approved persons* in *overseas SMCR firms*.

Branches: Seniority

26.8.4 **G**

- (1) In some cases, a *person* who has local responsibility for a particular function may be very senior within the *firm* as a whole.
- (2) For instance, in some *branches*, an individual with local responsibility for a function may also be the head of the *firm's* Europe and Middle East division for a business line and may be more senior within the *firm* as a whole than the *person* performing the *PRA's* Head of Overseas Branch *designated senior management function*.

UK firms

26.8.5

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Having overall responsibility for a function as described in ■ SYSC 26.8.1G for a *UK SMCR firm* means being the most senior employee or officer (under the *chief executive* if there is one) responsible for managing or supervising that function.