

HANDBOOK ADMINISTRATION (NO 26) INSTRUMENT 2012**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. Except as provided below, this instrument comes into force on 1 July 2012:
- (1) Annex H (COBS) comes into force on 2 July 2012;
 - (2) Part 2 of Annex N (COMP) comes into force on 31 August 2012;
 - (3) Part 2 of Annex M (SUP) comes into force on 29 September 2012; and
 - (4) Part 3 of Annex M (SUP) comes into force on 31 December 2012.

Amendments to the Handbook

- D. The modules listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Principles for Businesses (PRIN)	Annex B
Threshold Conditions (COND)	Annex C
Fit and Proper Test for Approved Persons (FIT)	Annex D
General Provisions (GEN)	Annex E
Fees manual (FEES)	Annex F
Interim Prudential sourcebook for Investment Businesses (IPRU(INV))	Annex G
Conduct of Business sourcebook (COBS)	Annex H
Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex I
Banking: Conduct of Business sourcebook (BCOBS)	Annex J
Client Assets sourcebook (CASS)	Annex K
Market Conduct sourcebook (MAR)	Annex L
Supervision manual (SUP)	Annex M
Compensation sourcebook (COMP)	Annex N
Collective Investment Schemes sourcebook (COLL)	Annex O
Recognised Investment Exchanges and Recognised Clearing Houses sourcebook (REC)	Annex P
Listing Rules sourcebook (LR)	Annex Q
Prospectus Rules sourcebook (PR)	Annex R

Citation

- E. This instrument may be cited as the Handbook Administration (No 26) Instrument 2012.

By order of the Board
28 June 2012

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking thorough indicates deleted text, unless otherwise stated.

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

<i>ESMA</i>	European Securities and Markets Authority.
<i>Rehabilitation Exceptions Orders</i>	the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2003 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979.

Amend the following as shown.

<i>designated investment business</i>	any of the following activities, specified in Part II of the <i>Regulated Activities Order</i> (Specified Activities), which is carried on by way of business: ... (1a) ... (1b) <u>providing basic advice on a stakeholder product (article 52B);</u> ... (o) providing basic advice on a stakeholder product (article 52B). <u>[deleted]</u>
<i>entering into a home reversion plan</i>	the <i>regulated activity</i> , specified in article 63B(1) of the <i>Regulated Activities Order</i> , which is in summary: entering into a <i>home reversion plan</i> as provider, or acquiring any obligations or rights (including his interest in land) of the plan provider under a <i>home purchase reversion plan</i> entered into by him on or after 6 April 2007.
<i>investment services and activities</i>	any of the services and activities listed in Section A of Annex I to MiFID relating to any financial instrument, that is: (a) reception and transmission of orders in relation to one or more financial instruments; (b) execution of orders on behalf of clients;

- ~~(c) *dealing on own account;*~~
- ~~(d) *portfolio management;*~~
- ~~(e) *the making of a personal recommendation;*~~
- ~~(f) *underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis;*~~
- ~~(g) *placing of financial instruments without a firm commitment basis;*~~
- ~~(h) *operation of multilateral trading facilities.*~~

~~[Note: article 4(1)(2) of, and section A of Annex 1 to, *MiFID*]~~

Annex B

Amendments to the Principles for Businesses (PRIN)

In this Annex, underlining indicates new text and striking through indicates deleted text.

3 Rules about application

3.1 Who?

...

- 3.1.2 G ~~SYSC App 1~~, *COBS 1 Annex 1* and the territorial *guidance* in *PERG 13.6* all contain *guidance* that is relevant to the reservation of responsibility to a *Home State regulator* referred to in *PRIN 3.1.1R(1)*.

Annex C

Amendments to the Threshold Conditions (COND)

In this Annex, underlining indicates new text and striking thorough indicates deleted text.

2.5 Threshold condition 5: Suitability

...

Conducting business with integrity and in compliance with proper standards

2.5.6 G In determining whether a *firm* will satisfy, and continue to satisfy, threshold condition 5 in respect of conducting its business with integrity and in compliance with proper standards, the relevant matters, as referred to in *COND* 2.5.4G(2), may include but are not limited to whether:

(1) ...

(2) the *firm* has been convicted, or is connected with a *person* who has been convicted, of any criminal offence; this must include, where provided for by the ~~Exceptions Order~~ Rehabilitation Exceptions Orders to the Rehabilitation of Offenders Act 1974 or the Rehabilitation of Offenders (Northern Ireland) Order 1978 (as applicable), any spent convictions; particular consideration will be given to offences of dishonesty, fraud, financial crime or an offence ~~whether or not in the United Kingdom or other offences~~ under legislation relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, banking, ~~and~~ ~~or~~ other financial services, insolvency, consumer credit companies, insurance, ~~and~~ consumer protection, *money laundering*, market manipulation ~~or~~ and insider dealing, whether or not in the United Kingdom;

...

Annex D

Amendments to the Fit and Proper Test for Approved Persons (FIT)

In this Annex, underlining indicates new text and striking thorough indicates deleted text.

2.1 Honesty, integrity and reputation

...

- 2.1.3 G The matters referred to in *FIT* 2.1.1G to which the *FSA* will have regard include, but are not limited to:
- (1) whether the *person* has been convicted of any criminal offence; this must include, where provided for by the ~~Exceptions Order~~ *Rehabilitation Exceptions Orders* to the Rehabilitation of Offenders Act 1974 or the Rehabilitation of Offenders (Northern Ireland) Order 1978 (as applicable), any spent convictions; particular consideration will be given to offences of dishonesty, fraud, financial crime or an offence ~~whether or not in the *United Kingdom* or other offences~~ under legislation relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, banking, ~~and~~ ~~or~~ other financial services, insolvency, consumer credit companies, insurance, ~~and~~ consumer protection, *money laundering*, market manipulation ~~or~~ and *insider dealing*, whether or not in the *United Kingdom*;

...

Annex E**Amendments to the General Provisions (GEN)**

In this Annex, underlining indicates new text.

Use of defined expressions

2.2.6 G Expressions with defined meanings appear in italics in the *Handbook*, unless otherwise stated in individual sourcebooks or manuals.

...

2.2.9 G Unless the context otherwise requires or unless otherwise stated in a particular sourcebook or manual, where italics have not been used, an expression bears its natural meaning (subject to the Interpretation Act 1978; see *GEN* 2.2.11R to *GEN* 2.2.12G).

Annex F

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

1.1 Application and Purpose

...

1.1.1A G FEES Appendix 1 applies to all persons required to pay a fee or any other amount to the FSA under the Unauthorised Mutuals Registration Fees Rules, as made by the Fees (Unauthorised Mutual Societies Registration) Instrument 2002 (FSA 2002/4) and amended from time to time.

...

1.1.2 R This manual applies in the following way:

...

(6) FEES Appendix 1 applies to every:

(a) registered society; or

(b) sponsoring body; or

(c) person who submits a proposal for the registration of a registered society;

each as defined in FEES Appendix 1.

...

Late Payments

2.2.1 R If a *person* does not pay the total amount of a periodic fee (~~including fees relating to transaction reports to the FSA using the FSA's Transaction Reporting System (see SUP 17)), ...~~

...

3.2.7 R Table of application, notification and vetting fees

(1) Fee payer	(2) Fee payable	Due date
...		
(t) A <i>firm</i> , a third party acting on a <i>firm's</i>	£100,000	Having received its application, within 30

<p>behalf, an operator of a <i>regulated market</i> or an operator of an <i>MTF</i> applying to the <i>FSA</i> to report <i>transaction reports</i> directly to the <i>FSA</i> other than through the <i>FSA</i>'s Transaction Reporting System (see <i>FEES 4.2.11R</i> and <i>FEES 4 Annex 3R</i> for the fees payable for <i>firms</i> using the <i>FSA</i>'s Transaction Reporting System).</p>		<p>days after the <i>FSA</i> has notified the applicant that it is to commence testing of the applicant's systems.</p>
<p>...</p>		

...

4.1.4 G ...

- (2) ~~The provision of the Transaction Reporting System facilities for *firms* reporting transactions under *SUP 17* incurs costs to the *FSA*. These costs depend upon the amount the facility is used. Accordingly the income which the *FSA* receives from these transactions reporting fees will be set and accounted for separately from the fee block tariffs, and are set out in *FEES 4 Annex 3R*. [deleted]~~

...

...

4.2.11 R Table of periodic fees

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
<p>...</p>			
<p>Any <i>firm</i> which reports transactions to the <i>FSA</i> using the <i>FSA</i>'s Direct Reporting</p>	<p><i>FEES 4 Annex 3R</i></p>	<p>(1) For transaction charges, the first working day of each <i>month</i> (2) For licence</p>	<p>Not applicable</p>

System or FSA's Transaction Reporting System (see SUP-17)		fees and enrolment charges, by the date set out on the relevant invoice	
...			

...

Delete 4 Annex 3R (Transaction reporting fees). The deleted text is not shown.

After FEES 7 (CFEB levies) insert the following new appendix. The text is not underlined.

[Editor's Note: The text of this appendix is taken from the Fees (Unauthorised Mutual Societies Registration) Instrument 2002 (FSA 2002/4) as subsequently amended. The "Transitional Arrangements", originally included as section 4 of the rules made by that instrument, have been omitted as they have expired; they are not therefore shown here. The appendix includes 5 annexes.]

Appendix 1 Unauthorised Mutuals Registration Fees Rules

1.1 Introduction

Application

- 1.1.1 R These rules apply to every:
- (1) *registered society;*
 - (2) *sponsoring body;*
 - (3) *person who submits a proposal for the registration of a registered society.*
- 1.1.2 G The purpose of these rules is to set out the requirements for *registered societies* and *sponsoring bodies* to pay periodic and application fees which, together, will provide the funding for the FSA's functions in respect of the registrant-only fee block (Category F). This set of rules is in respect of the registration functions relating to registered societies transferred to the FSA by Part XXI (Mutual Societies) of the Financial Services and Markets Act 2000 ('the Act'), other than friendly societies authorised under section 31 of the Act.

Background

- 1.1.3 G Most of the detail of the periodic fees which will be payable by *registered societies* is set out in Annex 1R to these rules, the provisions of which will vary from one financial year to another. Accordingly, a revised Annex 1R

will come into force, following consultation, for each financial year. Most of the detail of the application fees which will be payable by *registered societies* and *sponsoring bodies* is set out in Annex 1AR, the provisions of which may not change each year.

- 1.1.4 G Annex 2G to these rules contains further information on the fees applicable to *registered societies* under these rules.
- 1.1.5 G The periodic fee set for *registered societies* is a tiered fee, which is payable annually. The amount payable is dependent upon the *total assets* declared by the *registered society* in the most recent *annual return* required to be filed with the *FSA*.
- 1.1.6 G The application fee payable to register a new society is a tiered fee: the amount payable for registration of a new society is dependent on whether the rules are based on a free draft or on *model rules*. Further, where *model rules* are used in the case of the registration of a new society other than a credit union, then the number of amendments made to the *model rules* will affect the fee. The application fee payable by a *sponsoring body* for a new set of *model rules* is a flat fee.
- 1.1.7 G In these rules:
- (1) an “R” in the margin or heading indicates that the provision is a rule, which creates binding obligations;
 - (2) a “G” in the margin or heading indicates that the provision is guidance, which is designed to throw light on a particular aspect of these rules, but which is not binding nor an exhaustive description of a *person's* obligations.

Glossary of definitions

- 1.1.8 R In these rules, an expression in italics has the meaning given in Annex 4R.

1.2 Periodic Fees

General

- 1.2.1 R A *registered society* must pay to the *FSA*, in full and without deduction, the periodic fee applicable to it under Annex 1R for a financial year during which, or part of which, the society is registered, except as provided for in 1.2.5R and 1.2.6R.
- 1.2.2 R [deleted]

Methods of payment

- 1.2.3 R A *registered society* must pay its periodic fee by one of the methods specified in Annex 1R.

Due dates

- 1.2.4 R A *registered society* must pay a periodic fee on or before the relevant due date for payment specified in Annex 1R for the relevant year.

Exceptions

- 1.2.5 R A *registered society* is not required to pay the periodic fee for the financial year in which it is first registered.
- 1.2.5A R A *registered society* which has not been required to file an *annual return* before the commencement of a given fee year must pay the lowest periodic fee for a *registered society* specified in Annex 1R for that year.
- 1.2.5B R If a *registered society* fails to file an *annual return* by the date it is required to be filed:
- (1) the *total assets* used to determine the amount of the periodic fee payable by the *registered society* will be that shown in the *annual return* last filed with the *FSA* or its predecessor; and
 - (2) the *registered society* must pay an administrative fee equal to the lower of the periodic fee payable by the *registered society* under Annex 1R for that year, and £250.
- 1.2.6 R If a *registered society* ceases to be a *registered society* on or after 1 April in a particular financial year, but before an invoice for the periodic fee payable under 1.2.1R for the financial year in which the society ceases to be a *registered society* has been issued by the *FSA*, the periodic fee payable by that *registered society* under 1.2.1R is the amount of the periodic fee under Annex 1R for the immediately preceding financial year.
- 1.2.7 R [deleted]

Extension of time

- 1.2.8 R A *registered society* need not pay a periodic fee on the date which it is due under the relevant provision in these rules, if:
- (1) that date falls during a period during which circumstances of the sort set out in Annex 3R (Emergencies) exist, and that *registered society* has reasonable grounds to believe that those circumstances impair its ability to pay the fee, in which case it must pay on or before the fifth *business day* after the end of that period; or
 - (2) that date would otherwise fall on or before the 30th *day* after the date on which the *FSA* has sent written notification to that *registered society* of the fee payable on that date, in which case it must pay on or before the 30th *day* after the date on which the *FSA* sends the notification.

Late payment

- 1.2.9 R If a *registered society* does not pay the total amount of a periodic fee or a fee payable under 1.4.2R on the date on which it is due under the relevant provisions of these rules, that *registered society* must pay an additional amount as follows:
- (1) if the fee is not paid in full before the due date, an administrative fee of £250; plus
 - (2) if the fee is not paid in full before the end of 15 days after the due date, interest on any unpaid part of the fee at the rate of 5% per annum above the Bank of England's repo rate from time to time in force, accruing on a daily basis from the date on which the amount concerned became due.
- 1.2.10 G The *FSA* expects to issue invoices for periodic fees at least 30 days before the date on which they fall due. Accordingly, it will generally be the case that a *registered society* will have at least 30 days from the issue of the invoice before an administrative fee becomes payable, and at least 45 days before any interest becomes payable.
- 1.2.11 G If a *sponsoring body* does not pay the required periodic fee for a set of *model rules* by the due date, the rules will cease to be *model rules* and applications for the registration of societies that use the rules will be charged by the *FSA* as if the rules were a free draft.

Amending model rules

- 1.2.12 G If a *sponsoring body* wishes to change a set of *model rules*, it should supply a copy to the *FSA* indicating the proposed changes. No application fee is payable for such changes.

Refunds

- 1.2.13 G The *FSA* will not refund periodic fees in any circumstances.

1.3 Application Fees

General

- 1.3.1 R A *person* who submits to the *FSA* a proposal for the registration of a society must pay to the *FSA*, in full and without deduction, the fee specified for the type of application under Annex 1AR.
- 1.3.2 R A *sponsoring body* wishing a set of rules to become *model rules* for the first time must pay to the *FSA*, in full and without deduction, the application fee specified in Annex 1AR.

Method of payment

- 1.3.3 R Application fees must be paid by the method specified in Annex 1AR.

Due dates

- 1.3.4 R A *person* making an application or submitting a proposal for the registration of a society must pay the application fee on, or before, making the application.
- 1.3.5 R A *sponsoring body* must pay the application fee for a new set of *model rules* on or before making the application.
- 1.3.6 G The *FSA* may require the fee to be paid by the *person* making the application before the *FSA* undertakes any preliminary consideration of the proposed application or rules.

Refunds

- 1.3.7 G The *FSA* will not refund application fees under any circumstances.
- 1.3.8 G Paragraph 1.3.7G applies also in the case of applications that are not proceeded with where a fee has been paid in advance.

Annex 1R Periodic Fees payable for the period 1 April 2012 to 31 March 2013**Part 1 Periodic fee payable by Registered Societies (on 30 June 2012)**

This fee is not payable by a *credit union*.

Transaction	Total assets (£'000s)	Amount payable (£)
Periodic fee	0 to 50	55
	> 50 to 100	110
	> 100 to 250	180
	> 250 to 1,000	235
	> 1,000	425

Part 2 Methods of payment of periodic fees

A periodic fee must be paid using either direct debit, credit transfer (BACS/CHAPS), cheque, switch or by credit card (Visa/Mastercard only). Any payment by permitted credit card must include an additional 2% of the sum paid.

Annex 1AR Application Fees payable**Part 1 Application fees payable to register a new society other than a credit union**

Transaction	Amount payable (£)
Application using <i>model rules</i> without any amendment to the model	40
Application using <i>model rules</i> with between 1 and 6 amendments to the model	120
Application using <i>model rules</i> with between 7 and 10 amendments to the model	350
Application using <i>model rules</i> with 11 or more amendments to the model, or using free draft rules	950

Part 2 Application fees payable by sponsoring bodies

This fee is not payable by sponsoring bodies in respect of the model rules of credit unions.

Transaction	Amount payable (£)
Application for a new set of <i>model rules</i>	950

Part 3 Method of payment of application fees

Payment method	Additional amount or discount applicable
Cheque	None

Annex 2G Further information on fees**Purpose**

- 1 The purpose of this annex is to set out further information on fees applicable to *registered societies* which form the registrant-only fee block (Category F).

Background

- 2 Paragraph 17 of Schedule 1 to the *Act* enables the *FSA* to charge fees to cover its expenses in carrying out its functions.
- 3 The fees payable by *registered societies* will vary from one financial year to another and will reflect the *FSA's* funding requirement for the registrant-only fee block.
- 4 For periodic fees, the key components of the fee mechanism are:

- (1) a funding requirement derived from:
 - (a) the FSA's financial management and reporting framework;
 - (b) the FSA's budget;
 - (c) adjustments, as appropriate, for audited variances between budgeted and actual expenditure in the previous accounting year and reserves movements (in accordance with FSA's reserves policy);
- (2) fee blocks, which are broad groupings of fee payers offering similar products and services and presenting broadly similar risks to the FSA's regulatory objectives;
- (3) a costing system to allocate an appropriate part of the funding requirement to each fee block; and
- (4) tariff bases, which, when combined with fee tariffs, allow the calculation of fees.

5 The *FSA* defines fee blocks so that they will depend, for the most part, upon the regulated activities included in the permission held by firms, with a separate fee block for mutual societies which do not conduct regulated activities (registrants). By basing fee blocks on categories of business, the *FSA* aims to minimise cross-sector subsidies. The funding requirement for the registrant-only fee block will accordingly reflect only the cost of the registration function plus a share of corporate overheads. It will not include any indirect regulatory overheads.

Recovery of fees

6 Paragraph 17(4) of Schedule 1 to the *Act* permits the *FSA* to recover fees as a debt owed to the *FSA* and the *FSA* will consider court action for recovery through the civil courts.

Annex 3R Emergencies

1 R The *FSA* recognises that there may be occasions when, because of a particular emergency, a *registered society* may be unable to comply with a particular rule. The purpose of this annex is to provide appropriate relief from the consequences of contravention of a rule in those circumstances.

- (1) If any emergency arises which:
 - (a) could not have been avoided by the *registered society* taking all reasonable steps;
 - (b) makes it impracticable for a *registered society* to comply with a particular rule; and

- (c) is outside the control of the *registered society*, its members and its employees;

the *registered society* will not be in contravention of that rule to the extent that, in consequence of the emergency, compliance with that rule is impracticable.

- (2) Paragraph (1) applies only for so long as:
- (a) the consequences of the emergency continue; and
- (b) the *registered society* can demonstrate that it is taking all practicable steps to deal with those consequences, to comply with the rule.
- (3) A *registered society* must notify the *FSA* as soon as practicable of the emergency and of the steps it is taking or proposes to take to deal with the consequences of the emergency.
- (4) A *registered society* should continue to keep the *FSA* informed of the steps it is taking under 1.2.8(a)R. In the context of 1.2.8(a)R, an action is not practicable if it involves a *registered society* going to unreasonable lengths.

Annex 4R Glossary of definitions

In these rules, an expression in italics has the meaning given below:

Expression	Definition
<i>Act</i>	The Financial Services and Markets Act 2000.
<i>amendment to model rules</i>	(In Annex 1R) any number of changes to a single numbered rule and its sub-clauses (however described) represents a single amendment to model rules; the provision of information in respect of a name, an address, or a number, or any text which is added to a <i>model rule</i> in a space specifically provided in the <i>model rule</i> for the addition of such text, will not be regarded as an amendment to model rules.
<i>annual return</i>	The annual return required to be submitted to the <i>FSA</i> under s.43 of the Friendly Societies Act 1974 or s.39 of the Industrial and Provident Societies Act 1965.
<i>business day</i>	In rule 1.2.8R, any day which is not a Saturday or a Sunday, Christmas Day, Good Friday or a bank holiday in that part of the United Kingdom in which the <i>registered society</i> has its registered office.

<i>day</i>	A period of 24 hours beginning at midnight.	
<i>FSA</i>	The Financial Services Authority.	
<i>model rules</i>	A set of rules:	
	(a)	which a <i>sponsoring body</i> has provided to the <i>FSA</i> ;
	(b)	in relation to which the <i>sponsoring body</i> has paid all relevant fees due under these rules; and
	(c)	which complies with the provisions of the Industrial and Provident Societies Acts 1965 and 1967, the Friendly and Industrial and Provident Societies Act 1968 and the Friendly Societies Acts 1974 and 1992, as appropriate; or
	(d)	the Credit Unions Act 1979;
	(a list of <i>model rules</i> which satisfy (a) and (b) and, in the <i>FSA's</i> view, satisfy (c), is available from the Mutual Societies Registration department at the <i>FSA</i>).	
<i>person</i>	(In accordance with the Interpretation Act 1978) any person, natural or legal, including a body of persons corporate or unincorporated.	
<i>registered society</i>	A society registered under the Industrial & Provident Societies Acts, the Credit Unions Act 1979, the Superannuation and Other Trust Funds (Validation) Act 1927, or the Friendly Societies Act 1974; which is not authorised for the purposes of section 31 of the <i>Act</i> .	
<i>sponsoring body</i>	A body which publishes, or which proposes to publish, <i>model rules</i> for <i>registered societies</i> .	
<i>total assets</i>	The figure shown in the <i>annual return</i> against the heading 'Total Assets' or, where there is no such heading, the value of the gross assets shown in the balance sheet of the firm.	

Annex G**Amendments to the Interim Prudential sourcebook for Investment Businesses
(IPRU(INV))**

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 3.72 R A firm's absolute minimum requirement is:
- ...
- (ea) for a dematerialised instruction transmitter: £50,000;
 - (f) for a *broad scope firm* other than one within (b) to (e ea) above:
£100,000;~~or~~
 - ~~(g) for a dematerialised instruction transmitter: £50,000.~~

Annex H

Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force on 2 July 2012

4.12 Unregulated collective investment schemes

...

4.12.1 R ...

(4)

Promotion to:	Promotion of an unregulated collective investment scheme which is:
...	
Category 3 person A <i>person</i> who is eligible to participate in a scheme constituted under: (1) ... (2) section 24 of the Charities Act 1993 <u>section 96 of the Charities Act 2011</u> ; or (3) ...	...
...	

...

TP 1 Transitional Provisions relating to Client Categorisation

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provisions: coming into force
...					
1.9	<i>COBS 3</i>	R	(1) A new <i>client</i> that could have been correctly categorised as an <i>intermediate customer</i> under the rules in force on 31 October 2007; (a) may be treated as an <i>elective professional client</i> if it could have been categorised as an expert	From 1 November 2007 to 30 June 2008	1 November 2007

			<p>private customer that had been categorised as an intermediate customer in accordance with COB 4.1.9R on the basis of its experience and understanding; or</p> <p>(b) otherwise may be treated as a per se professional client, subject to (3) below).</p> <p>(2) A firm may categorise as an eligible counterparty or a per se professional client any new client that could have been correctly categorised as a market counterparty under the rules in force on 31 October 2007, provided that the firm may only treat the client as an eligible counterparty for the purposes of eligible counterparty business.</p> <p>(3) Clients categorised under COBS TP 1.9 must be dealt with in accordance with the relevant procedures and notifications in COBS 3.</p> <p>(4) This rule only applies in relation to business that is not MiFID or equivalent third country business. Expired</p>		
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TP 2 Other Transitional Provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provisions: coming into force
2.-1	COBS 4	R	<p>A firm communicating other than in relation to MiFID business is not required to comply with the financial promotion rules in relation to any financial promotion that:</p> <p>(1) is in writing and was designed to be communicated for longer than three months in similar form;</p> <p>(2) was subject to, and complied with, the relevant rules in COB 3 that were in force on or before 31 October 2007 (or was exempt</p>	1 November 2007 to 31 October 2008	1 November 2007

			from them); and (3) continues to be fair, clear and not misleading. <u>Expired</u>		
...					
2.2B	COBS 6.3 (Disclosing information about services, fees and commission— packaged products)	R	A <i>firm</i> may use the keyfacts logo on an <i>initial disclosure document</i> , a <i>combined initial disclosure document</i> or <i>menu</i> that complied with the <i>rules</i> in COBS 6.3 in effect on 6 August 2008. <u>Expired</u>	From 6 August 2008 until 31 August 2009	6 August 2008
2.2C	COBS 6.3 (Disclosing information about services, fees and commission— packaged products)	R	Under GEN 5.1.5R and COBS 6.3.4R, a <i>firm</i> may not use the keyfacts logo on a <i>document</i> designed to comply with disclosure requirements in COBS unless it is a <i>services and costs disclosure document</i> or a <i>combined initial disclosure document</i> prepared in accordance with COBS 6.3 and the relevant COBS 6 annexes. TP 2.2BR allows a <i>firm</i> to use the equivalent <i>documents</i> produced under the COBS rules in effect at 5 August 2008 for a transitional period. <u>Expired</u>	From 6 August 2008 until 31 August 2009	6 August 2008
2.3	COBS 10.1.2R	R	For business which is not <i>MiFID</i> or <i>equivalent third country business</i> , compliance with COB 3.9.5R(2) (Prohibited types of direct offer financial promotion) as it was in force on 31 October 2007 is treated as compliance with COBS 10.1.2R (<i>arranging or dealing in certain derivatives and warrants for retail clients</i>). <u>Expired</u>	From 1 November 2007 to 31 May 2008	1 November 2007
2.4	COBS 10.1.2R	G	This transitional (COBS 2.3R) relates to non- <i>MiFID</i> or <i>equivalent third country business</i> arising out of a <i>direct offer financial promotion</i> of a <i>derivative</i> or <i>warrant</i> (or both) for a <i>retail client</i> . This would include, for example, sports or political spread betting. For such business, a <i>firm</i> may begin to comply with the new appropriateness <i>rules</i> at any time within six months of 1 November so long as, in the meantime, it complies with COB 3.9.5R(2). <u>Expired</u>	From 1 November 2007 to 31 May 2008	1 November 2007
2.4A	COBS 11.2	R	COB 7.5, as it was in force on 31	From 1	1 November

			October 2007, continues to apply (and COBS 11.2 will not apply) during the transitional period to a firm when executing a customer order in a designated investment when such business is not MiFID or equivalent third country business unless the firm decides to comply with COBS 11.2 before 1 May 2008. <u>Expired</u>	November 2007 to 30 April 2008	2007
2.4B	COBS 11.2	G	The effect of TP 2.4AR is that for a firm which carries on the activities set out in TP 2.4AR COB 7.5 will continue to apply until 1 May 2008 (and COBS 11.2 will not apply), unless the firm decides to comply with COBS 11.2 before 1 May 2008. From 1 May 2008 a firm to which TP 2.4AR applies must comply with the best execution provisions in COBS 11.2. <u>Expired</u>	From 1 November 2007 to 30 April 2008	1 November 2007
2.4C	COBS 11.2	R	If a firm carrying out the activities set out in TP 2.4AR decides to comply with COBS 11.2 before 1 May 2008: (1) it must make a record of the date of the decision and the date from which it is to be effective; and (2) from the effective date it must comply with COBS 11.2. <u>Expired</u>	From 1 November 2007 to 30 April 2008	1 November 2007
2.4D	COBS 11.2	R	COBS 11.2 (Best execution) does not apply to a client order for the purchase of or sale of units in a regulated collective investment scheme from or to the operator of that scheme which is not MiFID or equivalent third country business <u>Expired</u>	From 1 May 2008 to 31 October 2008	1 May 2008
2.4E	COBS 12.2 and COBS 12.3	R	COB 7.16, as it was in force on 31 October 2007, continues to apply (and COBS 12.2 and COBS 12.3 will not apply during the transitional period) to a firm which is not a MiFID investment firm or a third country investment firm which prepares investment research for publication or distribution to its clients unless the firm decides to comply with COBS 12.2 and COBS 12.3 sooner than 1 May 2008. <u>Expired</u>	From 1 November 2007 to 30 April 2008	1 November 2007

2.4F	COBS 12.2 and COBS 12.3	G	<p>The effect of TP 2.4ER is that for a <i>firm</i> which is not a <i>MiFID investment firm</i> or <i>third country investment firm</i> carrying on the activities set out in the transitional rule TP 2.4ER COB 7.16 will continue to apply (and COBS 12.2 and COBS 12.3 will not apply) until 1 May 2008, unless the <i>firm</i> decides to comply with COBS 12.2 and COBS 12.3 before 1 May 2008. From 1 May 2008 a <i>firm</i> to which TP 2.4ER applies must comply with the investment research provisions in COBS 12.2 and COBS 12.3. <u>Expired</u></p>	From 1 November 2007 to 30 April 2008	1 November 2007
2.4G	COBS 12.2 and COBS 12.3	R	<p>If a <i>firm</i> carrying out the activities set out in TP 2.4ER decides to comply with COBS 12.2 and COBS 12.3 before 1 May 2008:</p> <p>(1) it must make a record of the date of the decision and the date from which it is to be effective; and</p> <p>(2) from the effective date it must comply with COBS 12.2 and COBS 12.3. <u>Expired</u></p>	From 1 November 2007 to 30 April 2008	1 November 2007
2.5	COBS 13	R	<p>(1) A <i>firm</i> is not required to prepare a <i>key features document</i>, a <i>key features illustration</i> or the <i>Consolidated Life Directive information</i> for a product if:</p> <p>(a) the rules would have required the <i>firm</i> to prepare <i>key features</i> for the product if they were still in force; and</p> <p>(b) the <i>firm</i> prepares <i>key features</i> in accordance with the rules as if they were still in force.</p> <p>(2) A <i>firm</i> is not required to prepare a <i>standardised deterministic projection</i> or an <i>alternative projection</i> for a product in accordance with COBS 13.5.1R or COBS 13.5.2R if the <i>firm</i> prepares its <i>projections</i> for <i>life policies</i>, <i>key features schemes</i>, <i>simplified prospectus schemes</i> and <i>stakeholder pensions schemes</i> in accordance with the rules as if they were still in force.</p> <p>(3) For the purposes of this rule, “the rules” are the <i>rules</i> on product disclosure and the</p>	From 1 November 2007 until 31 October 2008	1 November 2007

			customer's right to cancel or withdraw (<i>COB 6</i>) that were in force on 31 October 2007. <u>Expired</u>		
2.6	<i>COBS 14.1</i> and <i>COBS 14.2</i>	R	<p>A <i>firm</i> is not required to prepare a <i>key features document</i>, a <i>key features illustration</i> or the <i>Consolidated Life Directive information</i> for a product if:</p> <p>(1) the rules would have required the <i>firm</i> to prepare a <i>key features document</i> for that product if they were still in force;</p> <p>(2) the <i>firm</i> is satisfied, on reasonable grounds, that providing a <i>key features document</i> in accordance with the rules, as if they were still in force will not cause:</p> <p>(a) a <i>client</i> to suffer any prejudice; or</p> <p>(b) the <i>firm</i> to breach its obligations under one or more of the <i>Principles</i>; and</p> <p>(3) the <i>firm</i> provides a <i>key features document</i> for the product in accordance with the rules as if they were still in force.</p> <p>For these purposes, "the rules" means the <i>rules</i> on product disclosure and the customer's right to cancel or withdraw (<i>COB 6</i>) that were in force on 31 October 2007. <u>Expired</u></p>	From 1 November 2007 until 31 October 2008	1 November 2007
2.6A	<i>COBS 14.1</i> and <i>COBS 14.2</i>	R	<p>(1) A <i>firm</i> is not required to provide a <i>key investor information document</i> or <i>EEA key investor information document</i> to a <i>client</i> in accordance with <i>COBS 14.2</i> and <i>COBS 14.3</i> in relation to the proposed sale of a <i>unit</i> in a <i>UCITS</i>, if instead it meets the requirements of the <i>rules</i> of the <i>Handbook</i> as at 30 June 2011 in relation to the preparation, offering and provision of a <i>simplified prospectus</i> or <i>EEA simplified prospectus</i>, as if those <i>rules</i> were still in force in relation to the <i>UCITS</i>.</p> <p>(2) Paragraph (1) does not apply where:</p> <p>(a) in the case of a <i>management company</i>, it has already published</p>	From 1 July 2011 to 30 June 2012	1 July 2011

			<p>a <i>key investor information document</i> or an <i>EEA key investor information document</i>; or</p> <p>(b) in the case of any other <i>firm</i>, the document in (a) has already been provided to it in accordance with the requirements of <i>COBS 14.2</i>;</p> <p>in respect of the <i>UCITS</i> or <i>sub-fund</i> or class of <i>units</i> of the <i>scheme</i>, in relation to which a sale of <i>units</i> is proposed.</p> <p>[Note: article 118(2) of the <i>UCITS Directive</i>]</p> <p><u>Expired</u></p>		
2.7	<i>COBS 15</i>	R	<p>Cancellation</p> <p>(1) In relation to a contract concluded before 1 November 2007 the previous cancellation rules (<i>COB 6.7</i>) continue to apply.</p> <p>(2) In relation to a contract concluded on or after 1 November 2007 any pre-contract disclosure made before that date complies with the requirements of this sourcebook is to be treated for the purposes of <i>COBS 15</i> as if made under this sourcebook. <u>Expired</u></p>	1 November 2007 for 6 months	From 1 November 2007
...					
2.8A	<i>COBS 18</i>	R	<p><i>COB</i>, as it was in force on 31 October 2007, continues to apply (and <i>COBS</i> will not apply) to the following activities and <i>firms</i> (as the case may be) in relation to business which is not <i>MiFID</i> or equivalent third country business and <i>COBS</i> does not apply during the transitional period unless the <i>firm</i> decides to comply with <i>COBS</i> before 1 May 2008:</p> <p>(1) <i>Energy market activity</i> and <i>oil market activity</i>;</p> <p>(2) activities referred to in the <i>general application rule</i> related to:</p> <p>(a) <i>commodity futures</i>;</p> <p>(b) <i>commodity options</i>;</p> <p>(c) <i>contracts for differences</i> related to an underlying <i>commodity</i>; or</p> <p>(d) other <i>futures</i> or <i>contracts for</i></p>	From 1 November 2007 to 30 April 2008	1 November 2007

			<p><i>differences</i> which are not related to <i>commodities</i>, financial instruments or cash, which is not <i>energy market activity</i> or <i>oil market activity</i>;</p> <p>(3) <i>corporate finance business</i>;</p> <p>(4) a <i>firm</i> which is an <i>operator</i> of a <i>collective investment scheme</i>;</p> <p>(5) <i>Lloyd's market activities</i>;</p> <p>(6) <i>depositories</i>;</p> <p>(7) <i>OPS firms</i>. <u>Expired</u></p>		
2.8B	COBS 18	G	<p>The effect of TP 2.8AR is that for <i>firm</i> carrying on the activities set out in the transitional rule TP 2.8AR <i>COB</i> will continue to apply (and <i>COBS</i> will not apply) until 1 May 2008, unless the <i>firm</i> decides to comply with <i>COBS</i> before 1 May 2008. From 1 May 2008 a <i>firm</i> to which TP 2.8AR applies must comply with <i>COBS</i> as set out in <i>COBS 18</i>. <u>Expired</u></p>	From 1 November 2007 to 30 April 2008	1 November 2007
2.8C	COBS 18	R	<p>If a <i>firm</i> carrying out the activities set out in TP 2.8AR decides to comply with <i>COBS</i> sooner than 1 May 2008:</p> <p>(1) it must make a record of the date of the decision and the date from which it is to be effective; and</p> <p>(2) subject to TP 2.8DR, from the effective date it must comply with <i>COBS</i> as set out in the relevant parts of <i>COBS 18</i>. <u>Expired</u></p>	From 1 November 2007 to 30 April 2008	1 November 2007
2.8D	COBS 18	G	[deleted]		
2.8E	COBS 18	R	<p>A decision by a <i>firm</i> carrying out activities set out in TP 2.8AR to comply with <i>COBS</i> before 1 May 2008 must be made in relation to all the <i>COBS</i> provisions applicable to it. The <i>firm</i> may not 'cherry pick'. <u>Expired</u></p>	From 1 November 2007 to 30 April 2008	1 November 2007
...					
2.16	COBS 9.4.10G; COBS 13 Annex 2; COBS 13 Annex 3; COBS 14.2.1R	R	<p>A <i>firm</i> which anticipates the coming into force of the Finance Act 2011 by carrying on any <i>regulated activity</i> in relation to a drawdown pension (as defined in paragraph 4 of Schedule 28 to the Finance Act 2004) must act as if</p>	6 April 2011 until the coming into force of the Finance Act 2011	6 April 2011

			the amendments to the <i>Handbook</i> set out in Annex A and Annex B Part 1 to the Pensions (Annuitisation and Withdrawals) (Amendment) Instrument 2011 (FSA 2011/19) were in force. <u>Expired</u>		
2.17	<i>COBS</i> 9.4.10G; <i>COBS</i> 13 Annex 2; <i>COBS</i> 13 Annex 3; <i>COBS</i> 14.2.1R	G	A <i>firm</i> intending to anticipate the coming into force of the Finance Act 2011 by carrying on any <i>regulated activity</i> in relation to a drawdown pension (as defined in paragraph 4 of Schedule 28 to the Finance Act 2004) should satisfy itself that it would be acting lawfully in so doing. <u>Expired</u>	6 April 2011 until the coming into force of the Finance Act 2011	6 April 2011
...					
2.20	<i>COBS</i> 20.2.28R	R	<i>Firms</i> which continue to effect new <i>contracts of insurance</i> in reliance on decisions made by the <i>firm's governing body</i> complying with <i>COBS</i> 20.2.28R prior to 1 April 2012 are deemed to be compliant with <i>COBS</i> 20.2.28R until 1 July 2012. <u>Expired</u>	From 1 April 2012 to 1 July 2012	1 April 2012
...					
2.22	<i>COBS</i> 20.5.1R to <i>COBS</i> 20.5.5R	R	<i>Firms'</i> existing governance arrangements are deemed to comply with the provisions in <i>COBS</i> 20.5.1R to <i>COBS</i> 20.5.5R until 1 July 2012. <u>Expired</u>	From 1 April 2012 to 1 July 2012	1 April 2012

Annex I

**Amendments to the Mortgages and Home Finance: Conduct of Business sourcebook
(MCOB)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

TP 1 Transitional Provisions**TP 1.1 ...**

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provisions: dates in force	(6) Handbook provisions: coming into force
...					
9	<i>MCOB 5.6.9R and MCOB 9.4.13R</i>	R	A firm may continue to comply with MCOB 5.6.9R and MCOB 9.4.13R as they applied before amendment by the Mortgages: Conduct of Business Sourcebook (Amendment No 3) Instrument 2006 <u>Expired</u>	31 October 2006 to 31 October 2007	31 October 2006
10	<i>MCOB 4 Annex 1R, MCOB 4 Annex 2R, MCOB 5 Annex 1R, MCOB 8 Annex 1R and MCOB 9 Annex 1R</i>	R	Key facts logo A firm may continue to use a keyfacts logo which is not accompanied by a regulatory mark (®). <u>Expired</u>	From 6 November 2006 to 6 November 2007	6 November 2006
11	<i>MCOB 4.4.1R, MCOB 4.4.7R and MCOB 4.10.2R</i>	R	A firm may use a combined initial disclosure document prepared in accordance with the rules in COBS 6.3 and COBS 6 Annex 2 in effect at 5 August 2008. <u>Expired</u>	From 6 August 2008 until 31 August 2009	6 August 2008
12	<i>MCOB 5.6.2R, MCOB 5.6.5R, MCOB 5.6.65R, MCOB 5.6.121R, MCOB 5.6.145R and MCOB 5 Annex 1R</i>	R	A firm may continue to use an illustration that has been prepared in accordance with the rules in MCOB 5.6 in effect at 5 February 2009. <u>Expired</u>	From 6 February 2009 to 6 February 2012	6 February 2009
13	<i>MCOB 13.3.9R</i>	R	A firm which complies with MCOB 13.3.9R as it applied on 24 June 2010 need not comply with MCOB 13.3.9R as it applies from 25 June 2010. <u>Expired</u>	25 June 2010 to 25 December 2010	25 June 2010
14	<i>MCOB 5.6.2R, MCOB 5.6.65R, MCOB 5.6.145R and</i>	R	A firm may continue to use an illustration that has been prepared in accordance with the rules in	From 6 April 2011 to 5 July	6 April 2011

	<i>MCOB 5 Annex 1R</i>		<i>MCOB 5.6</i> in effect at 5 April 2011. <u>Expired</u>	2011	
15	<i>MCOB 9.4.2R</i> , <i>MCOB 9 Annex 1R</i> and <i>MCOB 9 Annex 2R</i>	R	A <i>firm</i> may continue to use an <i>illustration</i> that has been prepared in accordance with the <i>rules</i> in <i>MCOB 9.4</i> in effect at 5 April 2011. <u>Expired</u>	From 6 April 2011 to 5 July 2011	6 April 2011
16	<i>MCOB 13.4.R(1)</i>	R	A <i>firm</i> which complies with <i>MCOB 13.4.1R(1)</i> as it applied on 5 April 2011 need not comply with <i>MCOB 13.4.1R(1)</i> as it applies from 6 April 2011. <u>Expired</u>	From 6 April 2011 to 5 July 2011	6 April 2011

TP 2.1 Transitional Provisions for home purchase plans and home reversion plans

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provisions: dates in force	(6) Handbook provisions: coming into force
1	Every <i>rule</i> in <i>MCOB</i> unless the context otherwise requires and subject to any more specific transitional provision relating to the matter.	R	(1) If, in relation to <i>home purchase activities</i> , <i>home reversion activities</i> , or the communication of a <i>financial promotion</i> of a <i>home purchase plan</i> or <i>home reversion plan</i> , the application of any provision in <i>MCOB</i> is dependent on the occurrence of a series of events, the provision applies with respect to the events that occur on or after 6 April 2007. <u>Expired</u>	From 6 April 2007 for six months	6 April 2007
2		G	(1) For example, if a <i>customer</i> submits an application for a <i>home purchase plan</i> or a <i>home reversion plan</i> before 6 April 2007, a <i>firm</i> responding to that application on or after 6 April 2007 will not be required to comply with the relevant disclosure requirements in <i>MCOB 5</i> . However, the <i>firm</i> will have to comply with the requirements in <i>MCOB</i> when taking any further action (such as issuing an offer) regarding the application on or after 6 April 2007. (2) In relation to a <i>home reversion plan</i> , an <i>offer document</i> may have to be issued under transitional provision 1R even though no <i>illustration</i> has been give out		

			(because that part of the transaction occurred before 6 April 2007). In such cases, the suitably adapted <i>illustration</i> required as part of an <i>offer document</i> would need to omit: (a) the required text regarding comparing the <i>offer document</i> with the <i>illustration</i> previously given to the <i>customer</i> (see <i>MCOB 6.4.4R(4)(b)</i>); and (b) Section 2 of the <i>illustration</i> entirely. <u>Expired</u>		
3		G	<i>MCOB</i> applies to <i>home purchase plans</i> and <i>home reversion plans</i> entered into on or after 6 April 2007. <i>PERG 14</i> contains <i>guidance</i> on the variation of plans entered into before 6 April 2007. <u>Expired</u>		
4	<i>MCOB 3.8A.3R(1)</i>	R	(1) A <i>non real time financial promotion</i> of a <i>home reversion plan</i> communicated: (a) in a directory (or similar publication) that is updated annually; (b) otherwise than in (a); on or after 6 April 2007 where the deadline for submission for communication was before that date does not need to describe a <i>home reversion plan</i> as a 'home reversion plan'. <u>Expired</u>	(1)(a) from the later of 6 April 2007 or the date of first communication, for one year; (1)(b) from 6 April 2007 for three months.	6 April 2007
5	<i>MCOB 9.4.2R</i> , <i>MCOB 9.4.5R</i> , <i>MCOB 9.4.18R</i> and <i>MCOB 9 Annex 1R</i>	R	A <i>firm</i> may continue to use an <i>illustration</i> that has been prepared in accordance with the <i>rules</i> in <i>MCOB 9.4</i> in effect at 5 February 2009. <u>Expired</u>	From 6 February 2009 to 6 February 2010	6 February 2009
6	<i>MCOB 9.4.2R</i> , <i>MCOB 9.4.5R</i> , <i>MCOB 9.4.133R</i> and <i>MCOB 9 Annex 2R</i>	R	A <i>firm</i> may continue to use an <i>illustration</i> that has been prepared in accordance with the <i>rules</i> in <i>MCOB 9.4</i> in effect at 5 February 2009. <u>Expired</u>	From 6 February 2009 to 6 February 2010	6 February 2009

TP 3.1 Transitional Provisions for sale and rent back agreements

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provisions: dates in force	(6) Handbook provisions: coming into force
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1	Every <i>rule</i> in <i>MCOB</i> unless the context otherwise requires and subject to any more specific transitional provision relating to the matter.	R	<p>(1) If, in relation to <i>regulated sale and rent back activities</i>, or the communication of a <i>financial promotion</i> relating to a <i>regulated sale and rent back agreement</i>, provisions in <i>MCOB</i> are dependent on the occurrence of a series of events, the provision applies with respect to the events that occur on or after 30 June 2010.</p> <p>(2) Paragraph (1) is without prejudice to provisions in <i>MCOB</i> that applied before 30 June 2010 to <i>regulated sale and rent back firms</i> that held an interim authorisation or an interim variation of permission to conduct <i>regulated sale and rent back activity</i> in accordance with article 23 of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order (SI 2009/1342) that had been granted by the <i>FSA</i>. <u>Expired</u></p>	From 30 June 2010 for 4 weeks	30 June 2010
2	-	G	For example if a <i>customer</i> has not entered into a <i>regulated sale and rent back agreement</i> before 30 June 2010, a <i>regulated sale and rent back firm</i> will have to comply with the requirements in <i>MCOB</i> when taking any further action (such as issuing a written pre offer document (Stage One) with cooling off period (<i>MCOB</i> 6.9)). <u>Expired</u>		
3	-	G	<i>MCOB</i> applies to <i>regulated sale and rent back agreements</i> entered into on or after 1 July 2009. <i>PERG</i> 14.4A contains <i>guidance</i> on the variation of plans entered into before 1 July 2009). <u>Expired</u>		
4	<i>MCOB</i> 3.8B.4R; <i>MCOB</i> 3.8B.5R	R	<p>(1) A <i>non real time financial promotion</i> of a <i>regulated sale and rent back agreement</i> communicated:</p> <p>(a) in a directory (or similar publication) that is update annually;</p> <p>(b) otherwise than in (a);</p> <p>on or after 30 June 2010 where the deadline for submission for communication was before that date.</p>	(1)(a) from the later of 30 June 2010 or the date of first communication, for one year; (1)(b) from 30 June 2010 for three months.	30 June 2010

Annex J

Amendments to the Banking: Conduct of Business sourcebook (BCOBS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

TP 1 Transitional Provision

(1)	(2)	(3)	(4)	(5)	(6)
	Materials to which the transitional provision applies		Transitional provision	Transitional provisions: dates in force	Handbook provisions: coming into force
1	<i>BCOBS</i>	R	Until midnight on 1 May 2010 a firm may continue to refer to the British Bankers' Association/Building Societies Association/APACS Banking Code and/or Business Banking Code in any of its documentation or literature. Expired	1 November 2009 to 1 May 2010	1 November 2009
2	<i>BCOBS 4.1.1R</i>	R	Until midnight on 1 May 2010, a firm need not have regard to <i>BCOBS 4.1.2G(3)(c)</i> or (4) in interpreting and applying <i>BCOBS 4.1.1R</i>. Expired	1 November 2009 to 1 May 2010	1 November 2009
3	<i>BCOBS 4.1.1R</i>	G	Until midnight on 1 May 2010, a firm may continue to communicate changes to any rate of interest that applies to a retail banking service to a banking customer in accordance with its obligations under the general law and (where a firm subscribed to the British Bankers' Association/Building Societies Association/APACS Banking Code or Business Banking Code on 1 July 2009) the standards set out in those Codes. Expired	1 November 2009 to 1 May 2010	1 November 2009
4	<i>BCOBS 4.1.1R</i>	R	With respect to an introductory, promotional or preferential rate of interest that expires before midnight on 1 May 2010, a firm need not have regard to <i>BCOBS 4.1.2G(5)</i> or <i>BCOBS 4.1.2G(6)</i> in interpreting and applying <i>BCOBS 4.1.1R</i>. Expired	1 November 2009 to 1 May 2010	1 November 2009
5	<i>BCOBS 5.1.13R</i>	R	With respect to funds credited to an account of a banking customer	1 November 2009 to 1	1 November 2009

			before midnight on 1 February 2010, a <i>firm</i> need not comply with <i>BCOBS 5.1.13R</i> . <u>Expired</u>	February 2010	
6	<i>BCOBS 4.1.1R</i>	R	A <i>firm</i> need not have regard to <i>BCOBS 4.1.4AG</i> in interpreting and applying <i>BCOBS 4.1.1R</i> until 6 September 2011. <u>Expired</u>	6 March 2011 to 6 September 2011	6 March 2011
7	The changes to <i>BCOBS 4.2.2G</i> set out in the Banking: Conduct of Business Sourcebook (Amendment No 3) Instrument 2011	R	A <i>firm</i> need not have regard to the changes referred to in column (2) in interpreting and applying <i>BCOBS 4.1.1R</i> or <i>BCOBS 4.2.1R</i> until 31 December 2011. <u>Expired</u>	6 May 2011 to 31 December 2011	6 May 2011

Annex K

Amendments to the Client Assets sourcebook (CASS)

In this Annex, underlining indicates new text and striking thorough indicates deleted text.

TP 1 Transitional Provisions

TP 1.1

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
4	CASS 5.1.5AR	R	<i>A firm will satisfy the requirements of this paragraph, and money is client money, notwithstanding that an insurance undertaking which is the firm's counterparty to an agreement required by CASS 5.1.5AR has not given written consent to its interests under the trusts (or in Scotland agency) in CASS 5.3.2R or CASS 5.4.7R being subordinated to the interests of the firm's other clients. Expired</i>	14 January 2005 for 6 months	14 January 2005
5	CASS 5.3.2R	R	<i>The interests of a firm's clients which are insurance undertakings will rank equally with the interests of the firm's other clients. Expired</i>	14 January 2005 for 6 months	14 January 2005
6	CASS 5.4.7R	R	<i>A firm will satisfy the requirements of this rule notwithstanding that the deed referred to in CASS 5.8.3R provides that money (and if appropriate designated investments) are held on terms which provide for the interests of the firm's clients which are the insurance undertakings to rank equally with the interests of the firm's other clients. Expired</i>	14 January 2005 for 6 months	14 January 2005
7	CASS 5.5.65R	R	<i>A firm may for the purpose of calculating its client money resource disregard any money which the firm had before 14 January 2005 transferred to an intermediate broker in</i>	14 January 2005 for 12 months	14 January 2005

			circumstances analogous to those described in CASS 5.5.84R . <u>Expired</u>		
...					

Annex L

Amendments to the Market Conduct sourcebook (MAR)

In this Annex, underlining indicates new text and striking thorough indicates deleted text.

6.8 Liquid market for shares, share class, standard market size and relevant market

...

6.8.5	EU	1.	A share admitted to trading on a <i>regulated market</i> shall be considered to have a liquid market if the share is traded daily, with a free float of <u>not</u> less than EUR 500 million, ...
		...	

...

TP 1 Transitional Provisions

...

TP 1.2

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
2	MAR 6	R	An investment firm, which is authorised by the FSA, must notify the FSA in writing by 1 December 2007 if at 1 November 2007 it is a systematic internaliser in respect of shares admitted to trading on a regulated market. <u>Expired</u>	From 1 November 2007 to 2 December 2007	1 November 2007

Annex M

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1: Comes into force on 1 July 2012

3.3 Appointment of auditors

...

Appointment by firm

3.3.2 R A *firm* to which this section applies (see SUP 3.1) must:

...

(2) notify the *FSA*, without delay, on the form in SUP 15 Ann ~~2R~~ 3R (Standing data form) ...

...

(5) notify the *FSA* of the appointment of an auditor, on the form in SUP 15 Ann ~~2R~~ 3R (Standing data form) ...

...

10 Approved persons

...

10 Annex 1G Frequently asked questions

	Question	Answer
	Requirements of the regime	
	...	
11A	Should these checks include a check of criminal records?	It is for senior management to decide what checks should be made. In deciding if it is necessary to carry out a check of criminal records, the <i>firm</i> should consider that the <i>FSA</i> does not routinely carry out these checks during the approval process. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975 (see Articles 3 and 4 of

		<p>the Order) <i>Rehabilitation Exceptions Orders</i>, the FSA and the industry also have a right to ask about <u>the spent criminal convictions specified in those Orders</u>, as well as <u>any unspent, criminal convictions, for employment purposes about in order to assess the suitability of candidates</u> for <i>approved person</i> status (see section 5 of the relevant Form A (Application to perform controlled functions under the approved persons regime)). Note also the provisions of <i>EG 6</i> (Publicity).</p>
...		

16.12 Integrated Regulatory Reporting

...

Regulatory Activity Group 1

...

16.12.6 R The applicable reporting frequencies for submission of *data items* and periods referred to in *SUP 16.12.5R* are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

<i>Data item</i>	Unconsolidated <i>UK banks and building societies</i>	Solo consolidated <i>UK banks and building societies</i>	Report on a <i>UK consolidation group</i> or, as applicable, <i>defined liquidity group</i> basis by <i>UK banks and building societies</i>	Other members of <i>RAG 1</i>
...				
FSA020				Half yearly
FSA021				Half yearly
FSA022				Half yearly
FSA023				Half yearly

FSA024				Half yearly
FSA025				Half yearly
FSA026				Half yearly
...				
...				

16.12.7 R The applicable due dates for submission referred to in SUP 16.12.4R are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in SUP 16.12.6R, unless indicated otherwise.

<i>Data item</i>	Daily	Weekly	Monthly	Quarterly	Half yearly	Annual
...						
FSA020					30 business days	
FSA021					30 business days	
FSA022					30 business days	
FSA023					30 business days	
FSA024					30 business days	
FSA025					30 business days	
FSA026					30 business days	
...						
...						

...

16.12.15 R The applicable *data items* referred to in SUP 16.12.4R according to type of *firm* are set out in the table below:

Description of data item	<i>Firms' prudential category and applicable data items (note 1)</i>							
	<i>BIPRU firms</i>			<i>Firms other than BIPRU firms</i>				
	730K	125K and UCITS investment firms	50K	IPRU (INV) Chapter 3	IPRU (INV) Chapter 5	IPRU (INV) Chapter 9	IPRU (INV) Chapter 13	UPRU

...								
Balance sheet	...	...	...	...	...	...	...	FSA029 (note 16)
Income statement	...	...	...	...	...	...	...	FSA030 (note 16)
...								
...								

...

Part 2: Comes into force on 29 September 2012

16 Annex 28AD Small Payment Institution Return

...

2 Please report the total value of these transactions (this figured must be entered in Euro) *000s*

...

16 Annex 28BG Notes on Completing FSA057 (Payment Services Directive Transactions)

...

2A Insert the total value of all transactions made during the calendar year. ... since your firm was FSA-registered.)

“The figure should be rounded to single units and entered in Euros, and rounded to the nearest thousand—e.g. 1,000,250.50 is entered as 1000 For example, €1,234,567.50 should be entered as €1,234,567.”

Part 3: Comes into force on 31 December 2012

10 Annex 9R Form G: The Retail Investment Adviser Complaints Alert Form

...

**Form G: Retail Investment Adviser – Complaints Alert Form
(all fields are mandatory except where indicated)**

This form relates to ~~rule:~~ SUP 10.13.20AR

...

*Individual details can be found on the FSA Register under the individual tab. If you are unable to identify the retail investment adviser’s IRN please contact the FSA at RIAnotifications@fsa.gov.uk Customer Contact Centre on 0845 606 1234 for assistance.

...

...

16 Annex 18AR Retail Mediation Activities Return (‘RMAR’)

...

SECTION G: Training and Competence

...

What types of advice were provided?

(tick all that apply)

	Mortgage	Non-Inv Insurance	Retail Investment products
15 Independent			<u>Yes/No</u>
8 Independent (whole of market plus option of fee-only)	<u>Yes/No</u>		
9 Whole of market (without fee-only option)	<u>Yes/No</u>		
10 On the basis of a fair analysis of the market		<u>Yes/No</u>	
11 Restricted / Multi-tie (the products of a limited number of providers)	<u>Yes/No</u>	<u>Yes/No</u>	<u>Yes/No</u>
12 Restricted = / Single-tie (the products of one provider)	<u>Yes/No</u>	<u>Yes/No</u>	<u>Yes/No</u>
16 Restricted (limited types of products)			<u>Yes/No</u>

...

SECTION K: Adviser charges

...

Retail clients paying for ongoing advice services

Number

[delete cell]

8 Number of ~~Retail~~ retail clients paying for ongoing advice services at the end of the

...

reporting period

- 9 Number of ~~Retail~~ retail clients who started ...
paying for ongoing advice services during
the reporting period
- 10 Number of ~~Retail~~ retail clients who stopped ...
paying for ongoing advice services during
the reporting period

What types of adviser charging structures are offered?

	<i>Independent Advice</i>		<i>Restricted Advice</i>		Typical charging structure (tick all that apply)
	Minimum	Maximum	Minimum	Maximum	
11 Initial <i>adviser charge</i> per hour (£)					<u>Yes/No</u>
12 Initial <i>adviser charge</i> as percentage of investment (%)					<u>Yes/No</u>
13 Initial adviser charge <i>adviser charge</i> as a fixed fee (£)					<u>Yes/No</u>
14 Initial adviser charge <i>adviser charge</i> as a combined charging structure (£)					<u>Yes/No</u>
15 Ongoing <i>adviser charges</i> per hour (£)					<u>Yes/No</u>
16 Ongoing <i>adviser charge</i> as percentage of investment (%)					<u>Yes/No</u>
17 Ongoing adviser charge <i>adviser charge</i> as a fixed fee (£)					<u>Yes/No</u>
18 Ongoing <i>adviser charge</i> as a combined charging structure (£)					<u>Yes/No</u>

SECTION L: Consultancy charges ...

...

Types of consultancy charges in typical scheme (~~tick all that apply~~)

% of employer	% of member	% of fund (annual)	Flat amount	Other
---------------	-------------	--------------------	-------------	-------

	contributions	contributions	management charge)	per member	
10 Active members	<u>Yes/No</u>	<u>Yes/No</u>	<u>Yes/No</u>	<u>Yes/No</u>	<u>Yes/No</u>
11 Deferred members			<u>Yes/No</u>	<u>Yes/No</u>	<u>Yes/No</u>

...

16 Annex 18BG Notes for Completion of the Retail Mediation Activities Return ('RMAR')

...

Section G: Training & Competence ('T&C')

...

Section G: guide for completion of individual fields

...	
What types of advice were provided? (tick all that apply).	If staff provide more than one type of advice (for example, they restrict their product range by <i>product provider</i> and type of product), or in relation to more than one business type (i.e. <i>home finance transaction</i> advising, advising on <i>non-investment insurance contracts</i> , or <i>retail investment products</i>), tick all that apply. For each type of advice, the <i>firm</i> should indicate whether or not staff have provided advice on that basis / <u>business type</u> .
...	
Restricted / Multi-tie = (the products of a limited number of providers)	A <i>firm</i> provides advice on products selected from a limited number of provider firms. <i>Restricted advice</i> applies to advice on <i>retail investment products</i> . Multi-tie applies to <i>insurance mediation activity</i> and <i>home finance mediation activity</i> .
Restricted / Single-tie = (the products of one provider)	A <i>firm</i> provides advice on products selected from one provider firm only. <i>Restricted advice</i> applies to advice on <i>retail investment products</i> . Single-tie applies to <i>insurance mediation activity</i> and <i>home finance mediation activity</i> .
Restricted = (limited types of products)	A <i>firm</i> provides advice on limited types of products.

...

Section K: Adviser charges

...

Section K: guide for completion of individual fields

...	
Retail clients paying for ongoing advice services	
<i>Retail</i> Number of <i>retail clients</i> paying for ongoing advice services (row 8)	This should be the number of <i>retail clients</i> paying for ongoing advice services (i.e. paying ongoing <i>adviser charges</i>) at the end of the reporting period.
<i>Retail</i> Number of <i>retail clients</i> who start <u>started</u> paying for ongoing advice services (row 9)	This should be the number of <i>retail clients</i> who began paying for an ongoing advice service (i.e. paying ongoing <i>adviser charges</i>) during the reporting period.
<i>Retail</i> Number of <i>retail clients</i> paying who stop <u>stopped</u> paying for ongoing advice services (row 10)	This should be the number of <i>retail clients</i> who stopped paying for ongoing advice service (i.e. paying ongoing <i>adviser charges</i>) during the reporting period.
...	
Typical charging structure (tick all that apply)	If a <i>firm</i> has more than one charging structure, it should report all charging structures and indicate what the typical charging structure is for initial and ongoing services. If the adviser charging structures typically offered are split evenly between the different charging types (per hour, percentage of investment, fixed fee or combined) for initial and/or ongoing advice services, tick <u>report</u> the charging structures that are relevant.

Section L: Consultancy charges

...

Section L: guide for completion of individual fields

Retail investment revenue from either or both group personal pension scheme and group stakeholder pension scheme fee and consultancy charges	
...	
Charging structures offered to active and deferred members of <i>group personal pension schemes</i> and <i>group stakeholder pension schemes</i>	Only those fields relevant to the <i>firm's</i> typical charging structure should be completed. (Tick all that apply).

...

Annex N

Amendments to the Compensation sourcebook (COMP)

In this Annex, underlining indicates new text and striking thorough indicates deleted text.

Part 1: Comes into force on 1 July 2012

12 Calculating compensation

...

12.6 Quantification: trustees, operators of pension schemes, persons winding up pension schemes, personal representatives, agents, and joint claims

...

12.6.2A R If a claimant has a *claim* as:

- (1) as the trustee of a *small self-administered scheme* or an *occupational pension scheme* of an employer which is not a *large company, large partnership* or *large mutual association* or the trustee or *operator* of, or the *person* carrying on the *regulated activity* of *winding up, a stakeholder pension scheme* (which is not an *occupational pension scheme*) or *personal pension scheme*;
- (2) for one or more members of a pension scheme (or, where relevant, the beneficiary of any member) whose benefits are *money-purchase benefits*;

the *FSCS* must treat the member or members (or, where relevant, the beneficiary of any member) as having the *claim*, and not the claimant.

Part 2: Comes into force on 31 August 2012

16 Disclosure requirements for firms that accept deposits

...

16.4 Compensation information: branches and websites

16.4.1 R (1) This section applies to:

...

- (b) an *EEA firm* or a *non-EEA firm* in relation to each *branch* in the ~~EEA~~ UK at which it *accepts deposits*;

...

Annex O

Amendments to the Collective Investment Schemes sourcebook (COLL)

In this Annex, underlining indicates new text and striking through indicates deleted text.

8 Annex 1R Qualified Investor Schemes: eligible investors

...

(4)

Issue or transfer of units to:	Issue or transfer of units (see Note 1) in a qualified investment scheme which is:
...	
Category 3 person A <i>person</i> who is eligible to participate in a scheme constituted under: (1) ... (2) section 24 of the Charities Act 1993 <u>section 96 of the Charities Act 2011</u> ; or (3)
...	

...

Annex P

Amendments to the Recognised Investment Exchanges and Recognised Clearing Houses sourcebook (REC)

In this Annex, underlining indicates new text.

4.2D Suspension and removal of financial instruments from trading

...

- 4.2D.3 G Under section 313C(1) of the *Act*, if the *FSA* exercises its power to require a *UK RIE* to suspend or remove a *financial instrument* from trading, it must as soon as reasonably practicable:

...

- (2) inform ESMA and the competent authorities of all other *EEA States* of its decision.

...

6A Removal of passport rights from EEA market operator

...

- 6A.2.4 G If the *FSA* exercises this prohibition power it must at the earliest opportunity notify the Commission and ESMA of the action taken in relation to the operator.

Annex Q

Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text.

Appendix 1

specified investment any of the following *investments* specified in Part III of the *Regulated Activities Order* (Specified Investments):

...

(ob) *home reversion plan* (article 63B(3));

(oc) *home purchase plan* (article 63F(3));

(od) *regulated sale and rent back agreement* (article 63J(3));

Annex R

Amendments to the Prospectus Rules sourcebook (PR)

In this Annex, underlining indicates new text.

5.3 Certificate of approval

5.3.1 UK Sections 87H and 87I of the *Act* provide:

Prospectus approved in another EEA State		
87H	(1)	A prospectus approved by the competent authority of an EEA State other than the United Kingdom is not an approved prospectus for the purposes of section 85 unless that authority has <u>notified ESMA and provided the competent authority with -</u> ...
	...	
	<u>(3A)</u>	<u>The competent authority must publish on its website a list of certificates of approval provided to it in accordance with this section.</u>
	<u>(3B)</u>	<u>The list referred to in subsection (3A) must -</u>
		<u>(a)</u> <u>be kept up-to-date;</u>
		<u>(b)</u> <u>retain items on it for a period of at least 12 months;</u> <u>and</u>
		<u>(c)</u> <u>include hyperlinks to any certificate of approval and prospectus published on the website of -</u>
		<u>(i)</u> <u>the competent authority of the EEA State which provided the certificate;</u>
		<u>(ii)</u> <u>the issuer; or</u>
		<u>(iii)</u> <u>the regulated market where admission to trading is sought.</u>
	...	

Provision of information to host Member State
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87I	...	
-----	-----	--